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WEST EUROPE REPORT

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POLITICAL

BELGIUM

MICHEL ON GOVERNMENT CRISIS, FUTURE COALITIONS

Brussels LA LIBRE BELGIQUE in French 20-21 Jul 85 p 3

[Interview with Louis Michel, president of the Party of Liberty and Reform by A.M. and V. d. W.; date and place not specified]

[Text] After the political vicissitudes of recent days, we thought it would be interesting to set down the thoughts of Mr Louis Michel, president of the PRL [Party of Liberty and Reform (Walloon)].

[Question] Does your party come out with any less esteem in the eyes of the public after what some have called the "recantations" of the PRL?

[Answer] I don't think so. The public understands more and more as the days go by and as the exposition of facts becomes clearer, that our attitude in the Heysel debate was a matter of principles and not a quarrel between people. That is good for the PRL.

Let me add that Jean Gol's attitude is becoming better understood by an important fringe of public opinion, which agrees that morality is important in politics.

Until the present time I have received only one letter in the party mail that deplored Jean Gol's gesture, and even that was not harshly critical. On the other hand, I have received more than five hundred letters congratulating us on the attitude that we adopted in this whole Heysel affair. These letters come from the young as a rule, or from intellectual circles, particularly from the academic world. I know that most of the people who have written to us are not PRL voters.

[Question] Do you plan to use the Heysel theme in your electoral campaign?

[Answer] We have no intention of doing so, just as we never tried to use this affair for political purposes.

Quite the contrary, during the campaign and afterward, we plan to insist on the strengthening of moral values in politics and on the need for greater respect for our institutions. We cannot allow ourselves such irresponsible departures

with respect to our institutions. We cannot ask the citizen to believe in our institutions if we don't provide him with good example from the top.

[Question] In introducing the amendment targetting Minister Nothomb, did Mr Mundeleer act on his own in the investigation commission, or was he under the control of your party?

[Answer] There was no contact between Mr Mundeleer and the party. He did not ask us any questions. He acted in accordance with his own soul and conscience.

[Question] Why make Mr Mundeleer a member of that commission when he is known to be a very independent man?

[Answer] We put him there because he is a good lawyer, a reasonable man, disinterested and a former member of parliament who sees things impartially.

In the case of a commission of parliamentary inquiry everyone must be independent; if not, its purpose is defeated. It is obviously not a question of majority against opposition in the workings of such a commission.

In this connection may I remind you that Mr Suykerbuyk, who used to represent the CVP [Social Christian Party], maintained that Mr Northomb had a mission of coordination to fulfill. Moreover, this is the point of departure of the minister's responsibility.

The Conscience of Jean Gol

[Question] Do you find it normal of Jean Gol not to have informed you of his decision to resign?

[Answer] A politician, however prestigious he may be, remains simply a man as well. I know Jean Gol intimately. Despite what certain people think and say, Jean Gol is a man of conviction. One has simply to reread all the statements he has made in the House, all that he has written on the direction the nation is taking, on respect for our democratic institutions, on the requisite authority of the state, to be convinced that Jean Gol acted with complete sincerity.

This was not the action of a crafty minister; it was the reaction of a statesman, affected in the most intimate and fundamental regions of his soul. After all that he said and wrote on the subject of the state and its operative functions, he could not refrain from reacting.

Jean Gol is a man who is very sensitive to problems of conscience. He acted in accordance with that conscience.

[Question] In acting as he did, didn't Mr Gol also want to return to the presidency of the party and to swap his office in the Place Poulaert for the 26th floor of the Rogier Center?

[Answer] I don't have that impression. Isn't it more interesting to go to the elections as vice premier than as president of the party? I say right now that the presidency will be vacant on 23 January 1986.

There is no unrest within the party. Those who disagree are ill acquainted with the deep relations of friendship which unite ministers, members of parliament and government leaders.

Honor Lost

[Question] Could someone have replaced Jean Gol without being accused of having a more "elastic" conscience than the liberal vice premier? Didn't the other liberal ministers resign because their situation had become untenable after the departure of Mr Gol?

[Answer] Jean Gol personally wanted the other ministers to remain in office. And there was no shame in their remaining in office. The public expected someone to make a gesture to restore the lost honor of the Belgian government. Jean Gol made that gesture.

[Question] As his successor, did Jean Gol have you in mind?

[Answer] I don't know. No doubt that is quite likely.

[Question] It is said that the PSC [Christian Social Party] could not have been content with the replacement of Jean Gol alone, that it wanted the other PRL ministers to resign also, in order to find out exactly what the PRL wanted.

[Answer] We were not subject to the influence of any of our partners; they have nothing to do with this. It is not the PSC that appoints the liberal ministers, after all. It is the king.

[Question] The leader of the CVP group in the House, Mr Van den Brande, felt that in a few hours the French-speaking liberals had ruined the work that it had taken three and a half years to accomplish.

[Answer] That is so far off track as to be insignificant and therefore ridiculous. The crisis that arose was occasioned on the basis of principles and nothing else.

The Audiovisual Proposal

[Question] Nevertheless, the PRL is going to lose out on the audiovisual bill, which you seemed to want very badly.

[Answer] The PRL does not understand at all why the PSC and the CVP no longer want votes for the audiovisual bill. Their leadership is manifesting a rather serious inconsistency, since they had indicated that they were ready to vote for it.

[Question] What is the position of the PRL concerning the statement of constitutional review? That promises some difficult days in September.

[Answer] First I want to warn the public of what is going to happen. The scenario is familiar. I have the conviction that the government will fall in September over the statement of constitutional review. Manifestly, this fall is

being devised right now between the CVP and the PSC. To borrow the words of a political man from this family, I would say: "Some very bad cinema is being prepared today."

For months now, we have felt and known that certain of the majority parties are seeking to start up the school war again. Let me warn them as of now, therefore, that we will not participate in this type of immoral scenario. I have already said that for us, peace on the school issue is sacred. All those who use it for political purposes to gain votes are making the younger generation run a serious risk.

What counts for us is the quality of education. I have the weakness to believe that the plurality of educational systems remains a guarantee of quality.

Following the PSC?

[Question] If the PSC carries out its threat and leaves the government in September to avoid an educational system organized on a communal basis, will the PRL follow its lead?

[Answer] The PRL has never followed the PSC. Rather the contrary. We shall make our views clear on that issue when the problem arises. But common sense indicates that in any communal matter, one must not bolt down the lid of the pressure cooker without making sure that there is an operable safety valve.

One must be wary of any strategy of forward flight which would lead to a veritable chaos. Those who take this blatantly radical attitude knowingly today neglect to say that it is not because Article 59A happens to be among the articles to be reviewed that one would automatically communalize the education system. One must still find majorities qualified to do it.

[Question] On what condition would the PRL accept the notion of transferring jurisdiction in educational matters to the communes?

[Answer] We are not requesting the communalization of education. But if the law of numbers forced us to discuss it some day--an inevitable eventuality, given the fact that all the Flemish parties, the Socialist Party and certain members of the PSC all want it--we shall set down a series of conditions such as the following:

- 1) There must be financial guarantees for French-speaking educational systems;
- 2) There must be guarantees of the neutrality of official educational systems;
- 3) There must be guarantees of a pact of communalization; and
- 4) We would request the merger of the commune and the region for reasons of effectiveness and rationalization.

Renewing the Coalition

[Question] French-speaking liberals and Social Christians have not spared themselves any pains recently. Doesn't that bring up once more the intention you had of renewing the present coalition?

[Answer] I want to make myself quite clear on this matter. For the PRL, the choice was, is and will be clear: a preference for the present coalition. This coalition is doing a remarkable job. It has established the conditions for recovery as far as competition, employment and balance of trade are concerned. This policy must be continued. If a coalition of Social Christians and Socialists were to come back into power, this would mean a return to the mess we had before.

[Question] Would a coalition of socialists and liberals also mean a return to the mess?

[Answer] I didn't say that. That is fundamentally different. For the time being, I can see no other formula than the present coalition. Of course, the voters must declare their intentions. In this regard let me remind you that several weeks ago I initiated an appeal for a pact between the four majority parties, in order that they might come to an understanding at all events, to constitute the backbone of the government. The president of the PSC, however, was unwilling to do this.

Thus only a strengthening of the liberals can prevent him from constituting an alliance between the Socialists and the Social Christians. This attitude, on top of the abandonment of the audiovisual bill by the Social Christians, leads one to believe that they have long been tempted to form a joint government with the Socialists.

[Question] A "red-blue" coalition does not tempt you, then? Does it seem absolutely out of the question?

[Answer] I consider it just about unworkable. The attitude of the Flemish socialists regarding missiles and fiscal policy, and the rather considerable differences in viewpoint on the economic level--especially concerning the requisite competition between businesses--establish such a distance between the PRL and the Socialists that I do not see very well how such a coalition could be envisaged at the present time.

[Question] So, the same coalition and the same prime minister, too?

[Answer] I acclaim the qualities of correctness and purposiveness in the character of Wilfried Martens, who has our entire confidence.

[Question] Are you ready to set up a new government with him?

[Answer] Of course.

[Question] Do you make common cause with your vice premier, Jean Gol, who referred to journalists as "incompetent dwarfs"?

[Answer] I am convinced that in saying that, the vice premier was thinking of a very small minority of journalists, who do not always understand that the political man is also and above all a man. They do not always make the effort to obtain the information needed to judge people's real motivations.

I feel--as does Jean Gol, moreover--that the journalist's profession is a very difficult one, and that one condition for the exercise of this vocation is its complete independence. That is why I plead for contacts that are as regular and as human as possible.

Private and even personal conversations of a certain intimate character between politicians and journalists are in my eyes very important to permit objective and impartial intelligence-gathering.

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POLITICAL

BELGIUM

PS'S VAN DER BIEST ON GOVERNMENT CRISIS, COALITIONS

Brussels LE SOIR in French 24 Jul 85 p 2

[Interview with Alain Van der Biest, head of the Socialist Party (PS) in the Chamber of Representatives, by Guy Depas and Luc Vandendriessche; time and location of interview not specified]

[Text] Martens VI does not exist. But Martens VI could have existed. Alain Van der Biest, the head of the Chamber's PS group, confirms it: the hypothesis of PS participation in a provisional government charged with assuring the transition between the Social Christian-Liberal coalition of Martens V and the elections is a scenario that was not absent from the party's thinking.

It was in fact a matter of allowing the constitution to be revised at any cost. The PS, nevertheless, kept silent. For reasons of strategy, or because it had nothing to say? "Our concern," explains Alain Van der Biest, "was not to cloud the issue; in no way could we sign away what is our basic objective, government reform."

That is how, in the PS itself, they are explaining the extra duty they have been forced to take on in recent weeks, even at a time when the situation had become critical: one flick would no doubt have been enough to overthrow a team against which the opposition has fought for 3 and a half years. A team that today is still putting out statements letting it be known that it has scarcely any more unity than in an antisocialist assembly.

Is the PS dispassionate, wise or simply prudent? Even the judgments offered by Alain Van der Biest a posteriori on Martens' mad July days are measured.

[Answer] I don't like to pass judgment. There are already too many judges, too many prosecutors in the other parties in any case.

[Question] But isn't it the politician's role also to judge, if not men then their attitudes and their conduct? In this case, Gol and Nothomb?

[Answer] Nothomb from the beginning has nursed an erroneous conception of his minister's role. A political conception of course: the discharging of his responsibility. And the entire government encouraged him in this course by refraining from calling him to order.

Martens is not Cortez

[Question] It isn't Nothomb, it's Martens you are judging here.

[Answer] Absolutely, it is Martens. And has been since 1981, because that abandonment of the ministerial responsibilities was never done. With respect to the Heysel affair, although we asked for Nothomb's dismissal, it wasn't because of any personal rancor, it was done in the name of the political development.

[Question] What about Jean Gol, though?

[Answer] That's more complex. He certainly was trying to retrieve the situation after his group's two-speed attitude.

[Question] What situation?

[Answer] In the PRL [Party for Reform and Liberty], surely. The Jean Gol situation, too, because his gesture wasn't free from a certain concern for political spectacle. But absolutely not the Martens situation, from the moment when he obviously wanted, humanly, to get back something he thought had been lost.

[Question] What were the political lessons learned from the debate on Heysel?

[Answer] We knew there would have been a protectionist reflex in the PSC [Christian Social Party] in the face of the attacks against Nothomb. But if all of us hadn't, in the beginning, dismissed the aspect of the survival of the government, undoubtedly some people wouldn't have gone so far. The example of Robert Henrion, to whom we owe one of the Chamber's finest pages of eloquence, is a graphic one.

[Question] What is Wilfried Martens' future in all of that?

[Answer] He has burned his boats like Cortez, but he isn't Cortez. And by way of the conquest of Mexico, I can only tell him about the shrimp fishing at Oostduinkerke.

Men Talk, Gotha Changes

[Question] It seems nonetheless to ban the PS from power, asserting that your party is incapable of practicing a recovery policy.

[Answer] Recovery, austerity? Words. We prefer "rigor". But that, too, is just a word. Everybody is capable of practicing the same policy "of austerity" as Martens. But we don't want to. We want a change of policy, another "austerity". And our choice, in our opinion, is not the teacher or laborer who has lost 14 percent of his buying power in 3 years. Our program is well known; it's the same as the FGTB [expansion known], to which I pay homage. It's realism-- of the left.

[Question] Louis Michel, the president of the PPL, also pleads for exclusion of the PS from a national government. At the regional level, does a PS-PRL entente still seem to you to be possible?

[Answer] The PS of course dreams of a homogeneous socialist team.

[Question] But between the dream and the reality?

[Answer] There is a gap, I know. More in the Community, by the way, than in the Region. We have no monopoly and we are awaiting the result of the electoral arithmetic. Ecolos, PSC, PRL are still talking with each other. Between now and then, nobody is offside.

[Question] But hard words have been said.

[Answer] Yes indeed. Men talk, but parties are not men. And I fear for certain star players who are being coquettish today, that political Gotha may be profoundly changed after the elections. Martens should know it.

Flemish Pressure

[Question] Is the government one of the socialist priorities?

[Answer] If one wants to win the election, it isn't in order to gain strength in the opposition. The rank and file pushes us into participation, it's our calling. The priority isn't to be in the government in and of itself; it's to be there because that's where one can influence the course of affairs.

[Question] And the Flemish socialists in all of this? Sometimes people speak of an asymmetrical government.

[Answer] More than the PS, the SP [French Speaking Socialist Party], it seems to me, has to be deprived of power by the CVP [Social Christian Party] and the PPV [Party of Freedom and Progress]. Because of its position on missiles.

[Question] But the political asymmetry?

[Answer] I was taken for a heretic when I was the first to mention that asymmetry. It isn't desirable, but it's not to be ruled out. It would undoubtedly be difficult to govern with half of the Socialists "taking potshots" at the other half. But isn't the Social Christian family just as concerned?

[Question] You were mentioning here the reform of the constitution? Would the CFP throw out the PSC?

[Answer] I am persuaded of it. It's the price of this communitarization. Today the CVP is using blackmail on the PSC. But it is itself the prisoner of the blackmail by the whole Flemish community which wants that communitarization. There is no precedent to indicate the CVP will give in to blackmail by the Flemish community. That being the case, if you ask me whether the communitarization of education is irreversible, you can conclude: nobody in Belgium has ever been able to resist pressure from the CVP in recent years.

POLITICAL

BELGIUM

LAGASSE VIEWS REGIONAL ISSUES, FUTURE OF BRUSSELS

Brussels LE SOIR in French 1 Aug 85 pp 1, 2

[Article by Senator Andre Lagasse (FDF [Democratic Front of Brussels French Speakers], Brussels: "To the Scrap Heap!"; passages enclosed in slantlines published in italics]

[Text] Martens-Gol is the name of a freighter that has just been shipwrecked, pitifully. Not long ago some people, even in Brussels, were still betting on it, the fools! In his latest "governmental statement" the chief pilot is no longer even trying to bluff; his silences are strikingly truthful, a warning of collapse.

The wreckage tossed about by the waves is destined for wire cutters and the scrap heap--like the "Mt. Louis".

All the fine promises of the last 3 years are forgotten. The /taxpayers/ now know that tax deductions have risen three points: 46.6 percent of the GNP [gross national product] in 1984! /Households/ are seeing their incomes diminished by some 14 percent. /Financiers/ find that the public debt continues to increase: 5,000 billion, the highest ever! /Job-seekers/ have understood that the government has succeeded above all in changing the unemployment statistics. As for the /businessmen/ who were waiting impatiently for the draft of the 1986 budget, which was announced for the end of July, they are learning that the government no longer dares even to try to make an outline of it.

Moreover, the damage to political institutions and the country caused by imprudent navigators is spread out for all observers to see.

The /school peace/ so laboriously achieved in 1959 is being directly compromised by a majority that does not hesitate--for the first time in a quarter of a century--to change school legislation without seeking the opinion of the School Pact Commission.

A bill concerning university teaching at Hasselt and supported by all of the Flemish parties sets off the /alarm bell/: all of the French-speaking deputies (with the sole exception of the Ecolos) are denouncing this bill, which seriously undermines the interests of their Community; the first application of Article 38a of the constitution--a mechanism to protect against a majority abuse that Francois Perin called a train crammed full of dynamite. To stop the train, a government that is a prey to the most crucifying divisions.

A government which, after 3 and a half years in power, finds it has done nothing--and has not even tried to do anything--to provide Brussels with the regional democratic institutions stipulated in Art 107d /of the constitution/. Even worse: the law its majority was forced to adopt several days ago abolishes the last vestige of the Brussels Regional Council, which was created as an interim measure in 1974; seizure of the funds of that institution, which its clerk managed with talent while waiting to be able to transmit them to the continually-promised ("in a reasonable length of time") regional assembly; and above all the determination to deny by all available means the Brussels region and its right to autonomous institutions such as those enjoyed by other regions.

A country threatened with /a new condemnation in Strasbourg/: the Commission to Safeguard Human Rights has just taken a very harsh position with respect to the authors of the law of 8 August 1980; it urges Belgium to make an emergency modification in that law if it wishes to prevent the Court of Justice from seizing the dossier, and the Martens-Gol government refuses to budge an inch, preferring, it seems, the blemish of a new resounding condemnation.

And then there is the profound /discredit striking our parliamentary institutions/ in the wake of the Heysel drama and the demagogic exploitation committed by some of them. As if the abusive recourse to special powers over 2 years, as if the granting of fiscal exoneration to the patrons of the traditional political parties--were not enough! No, worse was required: whereas the investigatory commission created on the initiative of Mme Spaak carried on its work with a diligence, a competence and an objectivity that were recognized by all, the Chamber of Representatives got itself the burlesque comedy to which were delivered the PSC [Christian Social Party] and the PRL [Party for Reform and Liberty], followed by Mr Gol's ministerial somersaults--to the point that the president of the Chamber himself had to call his own party's behavior "appalling".

/Will it be possible, after the elections, to regain their feet, as the Brusselese may still be hoping--they who saw a Brusselese regional executive power (sic)/ consent to new abandonments?

To give up would mean the end of everything.

More than ever, it is necessary to reject the formula of a provincial federalism; it is well known how the inhabitants of Brussels (50 percent of the inhabitants of the Brabant) are ill treated by the provincial institution.

More than ever, it is necessary to throw out any system in which the so-called Brusselese ministers are locked into a Flemish-run central government.

More than ever, it is necessary to demand for Brussels the institutions provided for in Art 10d of the constitution; in this connection, the law of 8 August 1980 is and will continue to be unconstitutional as long as it has not been made complete by provisions giving the Brusselese the same rights as those enjoyed by the inhabitants of other regions. And people are more aware today of how many regional institutions (even business circles are demanding them!) are indispensable to an economic, industrial or social policy.

But it will also be necessary--and in many minds this constitutes a new element--for the Brusselse to fight to obtain rights, freedoms and protection of their interests /through the French Community/ and by means of direct negotiations /with the Walloon Region/.

As of the present, the inhabitants of Brussels have benefited from action carried on over 3 years by the present majority in the Council of the French Community, a majority that existed only through the action of the FDF. Some day soon, it will be necessary to give details of the balance sheet of that action. It will be even more necessary to explain how that Council's future majority will be able to amplify and multiply those initiatives that are such as to reduce discrimination harmful to the Brusselse that the central government has allowed to develop.

And first and foremost, it will be necessary tomorrow to be able to /count on a majority that has the determination to fight such discrimination by every available means/.

Several days ago, when he took his decision not to present himself to the Brusselse voters, Jean Gol added, by way of a commentary, that in every way the Brusselse could count on his support and that of the Walloon PRL in the Community.

That's a laugh, Mr Outgoing Vice Prime Minister!

In the course of the 3 years just ended, you and your party have demonstrated your total disdain for the Council of the French Community. Absenteeism in the PRL pushed to a new record high, not only in public sessions (in hopes of blocking the work for lack of a quorum), but also in the committees, where the work is done. It was the PRL elected representatives who were never seen on the floor or in the committees--beginning with the burgomaster of Schaerbeek since his dissidence. And they were the ones who were only heard from when they were able to fight the proposals that were likely to recognize a few freedoms or advantages for the French speakers of Brussels!

Definitely, Brussels means nothing to either the Walloon or Brusselse PRL members!

If I am wrong, show me, with the utmost urgency; you have one last chance to do so, since the Council of the Community is to meet one last time on 3 September.

Political observers believe that the next elections will be a walkover in the Brussels district. This is undoubtedly false, since it is there especially that the future majority in the Council of the French Community will be decided, and on that majority will depend the action that the Brusselse will again be able to expect from the Council.

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CSO: 3619/91

POLITICAL

DENMARK

LEFTISTS SEEN DEFLECTING FOREIGN POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 2 Aug 85 pp 10-11

[Op Ed Article by Niels Jorgen Haagerup: "Derailed Foreign Policy"]

[Text] For a number of years Niels Jorgen Haagerup was on the staff of BERLINGSKE TIDENDE. Until 1984 he was a member of the European Parliament (Liberal) and he is now director of the Foreign Policy Institute.

Danish foreign policy is gradually being cut loose from what ought to be its most important goal: protecting and promoting Danish interests. It has become increasingly politicized and a man like West German politician Egon Bahr has more influence via the Social Democrats on our foreign policy than the chairman of Folketing's Foreign Policy Board.

Danish foreign policy is being cut loose to an increasing extent from what should be its foundation: protecting and promoting Danish interests.

The reason for this is not just the well-known circumstance that a Folketing majority has dictated some foreign policy guidelines to the government since 1982, guidelines that the government parties have usually voted against or refused to vote on at all. There is also an increasingly obvious tendency for Denmark to assume the role of the nation that tells others how they should behave. The most recent example was the contents of the 12th and latest security policy resolution to date, passed in May, which voiced Danish opposition to so-called space weapons research while waving an admonishing finger in its recommendation that the United States (and others) refrain from this kind of research. The previous resolution had "only" expressed opposition to Danish participation in this kind of research.

Interpreting what really serves Danish interests best cannot be done in an objective statement in all respects. The so-called security policy majority in Folketing expresses a different evaluation of what best serves Danish interests than the one presented by the government. But there is one special

circumstance which is that the security policy majority has a Social Democratic chairman as its spokesman with SF [Socialist People's Party] serving as an inspiration and a source of ideas and the two elements definitely do not reflect a common stand on security policy.

In spite of some weak efforts to loosen up SF's former total rejection of any kind of defense, there is still a wide gap between the security and defense policy advocated by the Social Democrats and the one supported by SF and VS [Left-Socialist Party]. However they can get together in a common front to act against the government. By abandoning their "ideal" demands VS and SF have been able to vote for most of the 14 Social Democratic foreign policy resolutions that have been approved since December 1982.

As we all know the majority has been achieved because the government's traditional support party, the Radical Liberal Party, has abandoned the government on security and defense policy and has taken a stand that is even more extreme than that of the Social Democrats. We saw that in relation to the Nordic nuclear-free zone, for example. Here the Social Democrats have held back (so far) from demanding a unilateral Danish step toward such a zone by banning the presence of nuclear weapons on Danish soil in times of peace, war and crisis.

But the Radicals were willing to go that far, regardless of the consequences of this to the alliance policy they have grudgingly accepted but, unlike the Social Democrats, have not voted for.

It is nothing new that there are partisan disagreements on foreign policy. But in the past such disagreements have concerned only peripheral aspects of Danish foreign policy, such as aid to African liberation movements, the Danish view of developments in Southeast Asia and Latin America and other matters of that kind. But since the fall of 1982 the disagreement has concerned central aspects of Danish foreign policy, such as our policies in NATO and EC. This was a development that prompted then Foreign Ministry director Eigil Jorgensen (now an ambassador in the United States) to write in an unusual article for a government official published in 1983 (in the "Danish Foreign Policy Yearbook for 1982") about the "politicizing" of Danish foreign policy following the change in government.

The development has also been noted in some other European countries and indicates a break with the "elitist" foreign policy tradition, i.e. the determination of foreign policy in the past by a small elite.

Thus one could be kind enough to characterize this tendency as a democratization of foreign policy. Many will view the development as a step forward in the name of democracy. It is no longer the experts who determine foreign policy. It is the voters, the people.

While voters rely on the experts in matters concerning medical science, technology and the macroeconomy, for example, everyone is a foreign policy expert today. There is hardly any foreign policy issue that Danish voters do

not have an opinion about, from nuclear weapons to apartheid and democratic conditions in Nicaragua.

This along with the politicizing of foreign policy has rubbed off on our official attitude which after the introduction of the new practice of frequent Folketing resolutions is more an expression of the Folketing majority than a government statement.

The principle of "no one above and no one alongside Folketing" also applies to foreign policy and the combined voting strength of parties that do not agree with each other is directing foreign policy even when there is a majority opposing these views.

But the disagreement within the opposition majority makes the definition of Danish foreign policy interests extremely dubious. With the special Danish stands on nuclear weapons and medium-range missiles and the strategic defense initiative (space weapons) the Social Democrats are presumably trying to gain influence for unique Danish standpoints. The idea is that we will not gain influence by simply following the majority and aligning ourselves with the United States.

SF and VS, who represent the real opposition to Danish foreign policy, are less concerned with working for increased Danish influence in NATO and EC than with working for a policy that could lead to Denmark resigning from NATO and EC so that Denmark can start pursuing a policy of neutrality.

But even though the Social Democratic resolutions are an attempt to give Denmark increased influence, all foreign policy observers know that the effect has been the opposite. Danish influence in NATO and EC has been noticeably weakened in recent years because we have so often been so awkward about footnotes, reservations and other forms of objection--and we are still doing so.

Theoretically the special Danish standpoints could give us some influence, for there is something called "nuisance value," which means that someone who makes trouble can exert an influence that he (or the country in question) would otherwise be unable to achieve. But that is not how it works in practice. Denmark has not won sympathy for its viewpoints in NATO and EC.

Things may have even gone so far that the channels of information that our excellent foreign service has always utilized so skillfully have become considerably narrower. At least it springs to mind that this could have contributed to the incorrect Danish assessment of the course of the recent summit meeting in Milan. I am not thinking here of the French-German draft treaty, which also came as a surprise to others, but the Italian government's insistence on a government conference on the future of EC and the broad support this Italian position won. The Danes had not foreseen this.

It is not the intention of this article to give the impression that the government and the government parties at all times represent the "correct"

interpretation of Danish interests with respect to other countries while the unequal opposition group represents the "wrong" interpretation. Two resolutions have been passed on European policy, one on 28 May 1984 and the other on 23 May 1985 and the government parties voted for them. There are many possible explanations for this and one could be that the government is disinclined to fight over European policy when it is subjected to constant battles over important aspects of security policy.

If one looks at the content of the two resolutions, which are intended to provide guidelines for Danish policy on Europe, they are of little use when it comes to protecting Danish interests.

The key words in the resolution from May 1984, which was confirmed this May, are that "the basis for Denmark's membership in EC is preservation of the veto right and maintenance of the division of power among the Council of Ministers, the EC Commission and the EC Parliament and therefore Folketing rejects the EC Parliament's draft for a treaty concerning the establishment of a European Union."

There are obvious weaknesses in this resolution. Does this mean that Denmark could not approve new and tougher guidelines for the use of the veto power, guidelines which in practice would limit this use to a minimum and lead to the approval of more decisions by the Council of Ministers?

What is the division of power mentioned in the resolution? Is it the one included in the Treaty of Rome or is it the one that has developed through the years and has so clearly weakened the position of the Commission in relation to the Council of Ministers?

Is the resolution a well-considered statement that Danish interests are always best taken care of when we can block decisions (with the help of the veto right) instead of passing majority decisions as all the other small EC countries (with the exception of Papandreou's Greece) would prefer--neutral Ireland among them?

Since the resolutions form the basis for the instructions the powerful Market Committee gives the government in all EC matters from fish prices to institutional questions, they often prevent the government from effectively safeguarding Danish interests in negotiations that can lead to Danish isolation.

The real explanation of the Danish attitude toward EC does not lie in detailed analyses of what best serves Danish interests but rather in the Social Democratic split on EC issues that has haunted Danish politics since 1972. For tactical reasons or as a result of concentrating on many other things the present government parties have been unable to influence the Social Democrats and the voters. They could well have done so by injecting in the European debate the views that it is impossible for Social Democratic forces who favor EC to stress for fear of further splitting the party. But no, they have chosen passivity and mute acceptance of the restrictive Danish EC policy that now threatens us with isolation in the community we cannot afford to leave from either an economic or a political point of view.

The Social Democratic Party is and will remain the central party in Danish foreign policy. Unfortunately the party has chosen to use its strong parliamentary position--which is much stronger than it was when the party ran the government itself--to promote its special interests, to make domestic policy capital out of foreign policy, and via cooperation with other Social Democratic parties (Scandilux) it has given foreign Social Democrats, especially Germans, a big influence on its own views and thus on Danish foreign policy. A man like Egon Bahr of the West German Social Democratic Party has more influence on Danish foreign policy today than the chairman of Folkeeting's Foreign Policy Board.

This does not mean that the weakness of Danish foreign policy and its detachment from its natural primary goal of defending and promoting Danish interests can be blamed on the Social Democrats alone.

Naturally there are many Social Democrats who believe that their views serve Danish interests in addition to annoying the government. In practice their policy (which due to the composition of parliament is also Denmark's policy) involves placing greater emphasis on the side of foreign policy aimed at "improving" the world and thus making it more safe for Denmark as well as other countries.

Few people, including Social Democrats, really believe that a Nordic nuclear-free zone guaranteed by the superpowers would safeguard Denmark from being the target of a nuclear attack in a nuclear war. But they believe such a zone will have a positive influence on the international political climate, promoting detente and reducing the threat of war.

The weakness in this attitude is that it assumes a Danish influence on our own allies. But the unfortunate thing is that through our conduct and our footnotes we have jeopardized a large part of our influence, which was not very impressive to start with, and now we are often regarded with a mixture of compassion, amazement and irritation. In this way we forfeit our chance of being able to promote specific Danish interests when there is a need for doing so.

The same thing applies to EC. We may very well feel that the present EC treaties are good enough and that we should simply make better use of them. But if the large majority in EC (probably with British support in the end) favor a revision of EC aimed at improving the decision-making process in the community, a stubborn Danish insistence on adhering to the old standpoints will isolate us.

One may wonder why business circles in particular have not raised objections with the two biggest Danish government parties in an attempt to warn them of the danger that Denmark may gradually ease itself out of EC. But the important thing in Christiansborg is to preserve the facade of broad agreement, as we can see in the unanimous support of the two resolutions on Europe from 1984 and 1985.

Domestic policy has monopolized foreign policy. All the parties share the responsibility for this, although the responsibility of some parties is greater than that of others.

The "ideal" slant of foreign policy, which has also been expressed in the steady increase of aid to developing countries to a point that makes it hard for aid administrators to keep track of it effectively, has gained the upper hand over the protection of special Danish interests, regardless of the fact that this involves a totally unrealistic overestimate of Danish influence on the course of international policy.

It is time that Danish foreign policy gets back to protecting and promoting Danish interests.

6578

CSO: 3613/182

POLITICAL

PAGE 1

INCLUDED IN FRANCO-ALGERIAN TENSION NOTED

Paris LIAISON in French 6-7 Jul 85 p 40

[Article by Jose Garcon: Franco-Algerian Relations: A Second Disturbing Fact]

[Text] France converted all of Algeria into a "concentration camp during the war of liberation" and "the Algerian people barely escaped genocide": Algeria is in the habit of sending very blunt "messages" to France with impunity, the one sent yesterday by APS was startling.

In a long article dated in Oran and distributed on the occasion of the 23rd anniversary of independence, the official agency denounces the "blows" and tortures used against "hundreds of thousands of Algerians." Under the title of "The Nightmare is over," it asserts that neither "napalm, nor hundreds of concentration camps or military tribunals overcame this people." And the agency mentioned among the methods of torture the example of a python or boa "of exceptional size" which had been "specially trained" when it clearly did not involve "monkeys."

This is not the first time that an anniversary connected with the war was the occasion of a violent attack on France: on last 8 May, the anniversary of the massacre of about 40,000 Algerians in Sefit by the French forces, the APS had accused France, against all probability, of having used the Algerians as "guinea pigs" in the nuclear experiments at Reggane. The Quai d'Orsay then deemphasized what could be interpreted as an Algerian bad mood about the increase of racist crimes in France.

It will be difficult to do as much after the offensive launched yesterday by the APS. Published 2 weeks after the trip of Laurent Fabius and Roland Dumas to Algiers the article involved points out the political failure which this visit implied and

which Mitterrand and the Quai d'Orsay recognize privately. Just 3 days after the return of the prime minister from Algiers, a FLN delegation, moreover, had practically confirmed unawares to the French Socialist Party that things were not going well between Paris and Algiers. And that even if the tone during the Fabius-Chaldi conversation was more relaxed than the cool courtesy in which the first talks had taken place.

"Indifference" about the western Sahara, a policy of "false equilibrium" between Morocco and Algeria, a reduction of purchases of Algerian oil: Algeria's grievances against the French government (see LIBERATION of 24 June) were well known. The stay in Morocco of the French chief of staff, General Jannou lacaze at the time when Laurent Fabius himself was in Algeria, did not settle things, far from that. More especially as, according to the CANARD ENCHAINE, Jannou lacaze came to inform the Moroccans that France was not participating in joint maneuvers with Morocco. Moreover, the negotiations which are now taking place between Morocco, Bissene Babre and Libya with France's approval are not likely to please the Algerians either, who see in it a good reason for a rapprochement between France and Morocco.

However, all that cannot be separated from strictly Algerian problems: it is known that some sectors in Algeria criticize privileged relations with France. This "hard line group" obviously feels strong enough today to dramatically upset the status quo...

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CSC: 3519/265

POLITICAL

FRANCE

NEO-ROCARDIANS, FORMER PSU CREATE NEW PSF FACTION

Paris LIBERATION in French 20-21 Jul 85 p 6

[Article by Eric Dupin: "PS: The last of the self-managers"]

[Text] AGES [expansion unknown] + PAI [expansion unknown]
"self-management center in the PS." Let us explain. The neo-
Rocardian faction in the PS (AGES) has just joined with Jacques
Salvator and over 200 of his friends coming from the PSU [PAI].
Their mutual ambition is to appear as the "saviors" of the PS,
carrying high the standard of self-management.

Two years ago at the Bourg-en-Bresse Congress, the AGES faction
(5 percent of the votes) was called the right wing of the PS by
Lionel Jospin. Economic realism is necessary, he argued then, in
splendid isolation, for "good management of the crisis." Today
now that the conversion of socialist minds has progressed, the
neo-Rocardians observe that the prevailing management realism
cannot describe the Left. Certainly the "Fabius method" attracts
them. It "renews" socialism, Alain Richard deputy from Val-
d'Oise rejoices. Besides this detail, is the fact that basically
the prime minister's step lacks inspiration. That is how the
cross factional contribution of modernist, not to say Fabius
motivation, is considered both fortunately "purifying" and un-
fortunately "extremely timid in the field of social change."

Nichel Rocard disappoints this faction even more by threatening
to become post-Rocardian. AGES reproaches him for dwelling on
disagreements among socialists which involve the past and saying
very little about proposed political objectives.

Contrary to the former chief of the PSU, the leaders of AGES
refuse to include self-management in the repertoire of out-of-
date concepts. The former semantic rallying point of the second
left, can recover a new youth, according to them, when enterprise
and management are values esteemed as being on the rise. Marie

Noel Lienemann adds that the self-management response should help the Left find an appropriate balance between the individualist aspirations of today and the collective demands of socialist struggle. For AGIRS "self-management instincts prove to be more productive and clearer than dull speeches on strong growth or liberal hocus-pocus. The future of the Left would involve a mixture which would blend "economic realism" and "boldness in social organization."

Thus self-management rises to the surface again thanks to the smallest of the PS factions. It is true that this idea only aroused a superficial interest among the socialists in the middle of the sixties. What is more, the two factions which believed in it at the time abandoned it afterwards. It is many years already since CERES [Center for Socialist Studies, Research and Education] exchanged the self-management principle for that of "national independence" then of the "Republic." More recently Michel Rocard proclaimed the word self-management was obsolete, preferring the words "autonomy" and "responsibility." Jacques Salvador protests, "in using neutral, dull, objective words, self-management is robbed of hope, its essential element." The iconoclast has struck again.

8490
CSO: 3519/265

POLITICAL

FRANCE

PCF PLANS FOR LEGISLATIVE ELECTIONS EXAMINED

Paris LIBERATION in French 27-28 Jul 85 p 5

[Article by Olivier Biffaud: "The PCF Lines up its Troops for the 1986 Parliamentary Elections"]

[Text] We must limit the number of politburo members who will be candidates for the deputation.* Such was the order adopted by the communist party politburo in view of the 1986 elections. Logically no new member elected to the politburo during the 25th congress of last February (Jean-Claude Gayssot, Pierre Blotin and Claude Billard) should then be eligible. The PCF "leadership" made an exception to this rule on the initiative of George Marchais: Jean-Claude Gayssot will head the slate at Seine-Saint-Denis.

This favor shown Gayssot confirms the ultrarapid promotion of the latter who was called by some at Colonel Fabien Square "Marchais' protege." Suddenly he is more than a match for two other personalities in view in the PCF: The former minister, Jack Ralite and the young ambitious Pierre Zarka, elected in 1978, reelected in 1981 in this department of the Parisian rim. Besides seats are going to be dear in Seine-Saint-Denis where the party holds five deputy seats and indeed risks with proportional representation only regaining three.

In Paris where the party is practically assured of losing a seat--there is not any--, the slate will be headed by Gisele Moreau who thus is stealing first place from Paul Laurent. If the PCF elects two deputies in Paris, which is the limit of the

It was necessary to convince the politburo members not to be candidates in the parliamentary elections to leave the field free for local candidates. This democratic concern tends to prove that the PCF leadership believes more in local roots to limit damage, rather than launching national personalities.

probable, the Moreau-Laurent duo will be the right one. This success will compensate the party slightly for the slaughter which threatens to strike the party in the "red suburbs" made up of Hauts-de-Seine (five deputies in 1981), Seine-St-Denis (five deputies) and Val-de-Marne (two deputies). The PCF could wind up with only 6 deputies when it had 17 in the parliamentary elections of 1978 and 12 in 1981. George Marchais will head the slate in Val-de-Marne but in Hauts-de-Seine where the PCF is only guaranteed a single seat, first place will be disputed between Guy Ducolone (vice president of the assembly) Jacques Brunhes and Parfaix Jans, all vice presidents of the group. That is, unless the PCF asks them to head the slates in three other departments in the rim where the PCF has no elected representatives.

In fact, in Yvelines, Essonne and Seine-et-Marne, the PCF does not have any deputy but the voting system may allow it to have one in each of the three. Moreover, it has very good chances of keeping its seat in Val-d'Oise. These gains probably will make up for the losses which the communists run the risk of experiencing in the other departments: Aisne (-1), Bouche de Rhone, slate led by Guy Hermier (-1), Gard (-1), Loire (-1) and Nord, slate headed by Gustave Ansart or Alain Bocquet (-2).

On the other hand, the PCF can gain a foothold in some departments where it does not have representatives such as Rhone where Charles Fiterman will head the slate, Cotes du Nord, Finistere, Gironde, Moselle and Var. Rene Piquet still has a chance in Haut-Garonne "but the seat of deputy is worth 10 percent of the votes cast in this department," someone in the machine remarks.

Better, the PCF can obtain a second seat in Seine-Maritime where Roland Leroy will head the communist slate. Likewise, it is possible to improve its score in Pas-de-Calais where it already has two deputies. On the contrary, the PCF is threatened with losing the only seat it has in Charente and Jacques Rimbault could have a very narrow escape in Cher although he is an "important local personality." It is a similar case in Correze for Jean Combasteil, the vice president of the group.

Finally the PCF will no doubt keep "the seat" it has in Allier (slate headed by Andre Lajoinie), Dordogne, Herault, Isere, Meurthe-et-Moselle, Pyrenees Orientales, Somme, Haut-Vienne (slate led by Marcel Rigout) and Val-d'Oise.

In the final analysis, even with as bad an outcome as in the European elections in 1984 (11.28 percent), the PCF can regain one or two seats close to its present group of 44 deputies. A slight recovery will not be a big bonus for it, while an insignificant drop could threaten to cause it to take a plunge.

POLITICAL

GREECE

F-16 AIRCRAFT PURCHASE SEEN RELATED TO BOHAN AFFAIR

Athens I KATHIMERINI in Greek 14 Aug 85 p 1

[Text] The government attempted yesterday to maintain in the news the issue of the F-16 aircraft purchase with vague new statements. In a delayed answer to a question on the subject, the government spokesman let it be understood that the government is studying the disclosures made by Sergei Bohan, the former first secretary of the Soviet Embassy who defected to the United States.

The fact that adds a special dimension to the spokesman's statement is that, according to an article in an Athens newspaper, the focus of the Bohan disclosures was: the Soviet diplomat revealed to the United States that there was a leakage of Western secrets through Athens.

According to the same article, this is related to the delay in the F-16 aircraft purchase caused by the U.S. Pentagon.

Day before yesterday, the ELEVTHEROS TYPOS newspaper stated the following: "A third question deriving from the Bohan disclosures is the way in which the GRU received information on developments in U.S. military armaments. It seems that Bohan said that the Soviets had easy sources of information in Greece on advanced technology equipment available on the Greek market or used in the armed forces. The latter is believed to be the main reason for the difficulties created by the Americans in delivering the F-16 aircraft, which had been slated to be sold to the Greek Air Force since last March."

Mr Laliotis stated the following:

"I shall answer whenever I am able to provide specific information. However, the evaluation of data and information, and especially the choices and the decisions, remain the absolute right of the Greek government."

The immediate conclusion that can be drawn from this statement is that the government is studying this matter, as well as the data that, according to the article, the U.S. government has made available to the KYP [Central Intelligence Service] in relation to the leaks and, more generally, the issue of espionage by the Soviet Embassy, especially from its building on Irodou Attikou Street (consular services). On the connection between the issue of the leaks and the approval of the F-16 purchase, political observers noted that: there is

a clear contradiction in the government spokesman's statement, who had continued to characterize the Pentagon approval as a "formality," only to imply yesterday that its connection with the information about leaks is being reviewed. This is the case regardless of the reservations--which are, of course, quite understandable--he expressed about the government's right to make use of the various facts.

The government's reaction is considered even more unexplainable because of the fact that as recently as July, another newspaper had written that the Bohan disclosures are behind the severity of President Reagan's reaction in the TWA hijacking. At the time, the government had not reacted in such a way as to imply it was studying the Bohan revelations.

CSO: 3521/326

POLITICAL

ICELAND

POLLS FIND INCREASED SUPPORT FOR COALITION, LESS FOR PA

Governing Coalition Increases Backing

Reykjavik MORGUNBLADID in Icelandic 18 Jul 85 p 42

[Article: "Hagvangur Poll in June-July: 57.4 Percent Support Government"]

[Text] According to a poll conducted by Hagvangur in June-July this year, the government continues to gain support nationwide. A poll conducted by Hagvangur in February of this year showed that 50.2 percent of those who took a position supported the government (42.6 percent did not). A poll conducted in May of this year showed that 52.5 percent supported the government (47.5 percent did not). According to the poll that was conducted during the last days of June and early July 1985, government support has risen to 57.4 percent; 42.6 percent do not support the government.

Those who took a position in this new poll were distributed by gender as follows.

Men: 60.6 percent support the government, 39.4 percent do not support it.

Women: 54 percent support the government, 46 percent do not support it.

Distribution of residence was as follows.

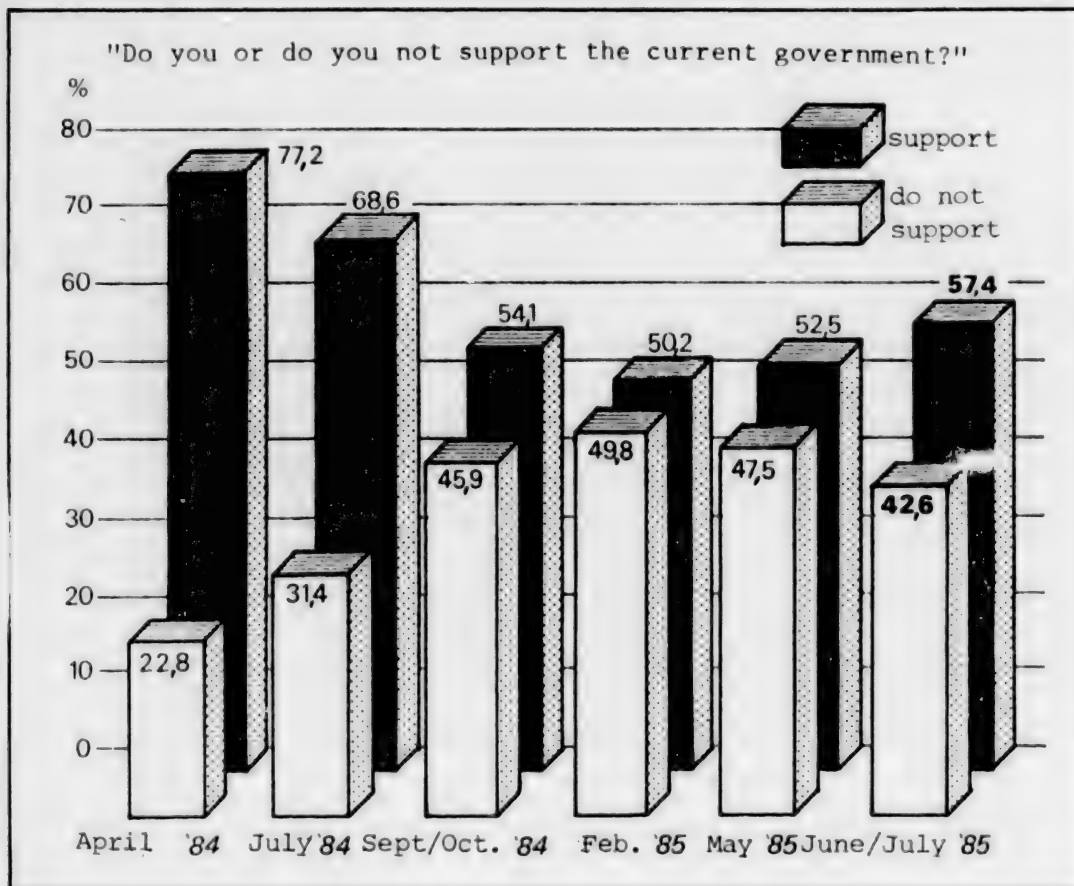
Metropolitan area: 57.3 percent support the government, 42.7 percent do not.

Regional urban areas: 55.5 percent support the government, 44.5 percent do not.

Rural areas: 67.1 percent support the government, 32.9 percent do not.

According to the Hagvangur polls on government support, the support was greatest in April 1984, or 69.6 percent, and least in February 1985, or 41.9 percent. According to these figures, the government support has increased during a 6 month period from 41.9 percent to 57.4 percent.

The question posed in all the polls was the same: "Do you or do you not support the current government?" The polling period was from 28 June to 10 July 1985. The sample comprised 1,000 persons of which 770 responded. People under 18 were not interviewed. The survey was conducted by telephone.



Slight Decline for People's Alliance

Reykjavik MORGUNBLADID in Icelandic 17 Jul 85 p 2

[Article: "New Hagvangur Poll: The Social Democratic Party Loses Support"]

[Text] The support for the Social Democratic Party has declined by slightly over 5 percentage points since the last opinion poll was conducted, according to a new Hagvangur poll. The Independence Party, the Social Democratic Alliance and the Women's List added about 2 percentage points each. The Progressive Party and the People's Alliance showed a slight loss.

If only those who took a position are counted, the Social Democratic Party would receive 16.0 percent of the votes if the elections were today, compared with 21.3 percent according to the opinion poll that Hagvanger conducted in May. That is, however, considerably greater support than the Social Democratic Party received in the last elections which was 11.7 percent. The Independence Party would receive 43.6 percent but received 41.2 percent in May. In the last elections, the Independence Party received 38.7 percent of the votes. The Social Democratic Alliance would receive 7.7 percent compared with 5.4 percent in May. The party received 7.3 percent of the votes in the last elections. The Women's List would receive 9.1 percent compared with 7.4 percent in May and 5.5 percent in the last elections. The People's Alliance would receive 12.0 percent of the votes and received 12.2 percent in May and 17.3 percent in the last elections. The Progressive Party would lose 0.9 percent or would receive 11 percent compared with 11.9 percent in May. The party received 18.5 percent of the votes in the last elections. The Humanist Party remains unchanged from the May poll but it did not have any candidates in the last elections.

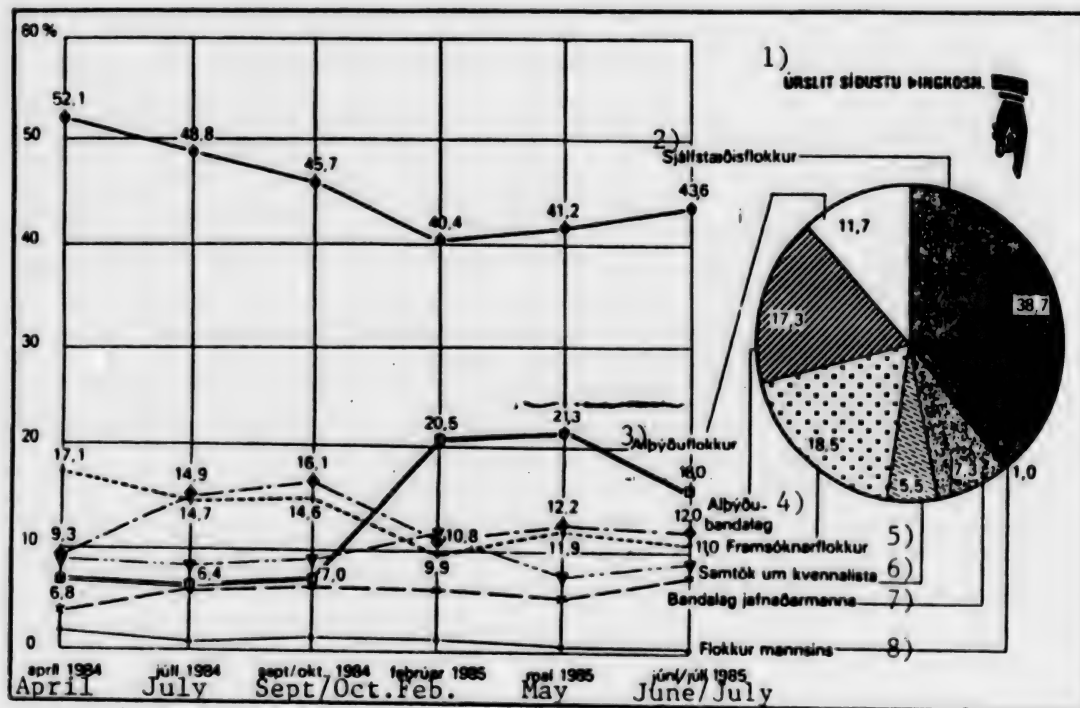
This survey was conducted by telephone and was conducted during the period 28 June to 10 July. The sample consisted of 1,000 persons who were all 18-years-old or older.

The total number of those who took a position was 493, or 64 percent of those who responded, but the response percentage was 83.3 percent net and 77 percent gross.

According to the opinion poll, the support for the parties was distributed by regional areas as follows. The first figure applies to the metropolitan areas, the second for urban areas and the third for rural areas.

People's Alliance	11.2 percent	14.5 percent	9.1 percent
Social Democratic Party	15.2 percent	21.1 percent	5.5 percent
Social Democratic Alliance	10.8 percent	3.9 percent	3.6 percent
Progressive Party	5.4 percent	11.2 percent	40.0 percent
Women's List	7.9 percent	10.5 percent	10.9 percent
Independence Party	48.7 percent	38.8 percent	29.1 percent
The Humanist Party	0.7 percent	0.0 percent	1.8 percent

[Graph on following page]



This figure shows support for the individual political parties according to Hagvang's survey in April 1984 on the one hand; on the other hand the party support in the elections in April 1983 is seen in the pie chart. According to the survey the Social Democratic Alliance now enjoys the support of 7.7 percent as indicated (5.4 percent in May). The Women's list gained the support of 9.1 percent (7.4 percent in May) and the Humanist Party gets the support of 0.6 percent.

Key:

1. Results of last parliamentary elections
2. Independence Party
3. Social Democratic Party
4. People's Alliance
5. Progressive Party
6. Women's List
7. Social Democratic Alliance
8. Humanist Party

People's Alliance Difficulties Examined

Reykjavik MORGUNBLADID in Icelandic 24 Jul 85 p 9

[Commentary by 'Staksteinar': "Political Refugees?"]

[Text] Two of the people in the picture (not included), Einar Karl Haraldsson and Baldur Oskarsson, have in common that they have both been the executive directors of the People's Alliance. Baldur Oskarsson quit several years ago and now Einar Karl is on his way to Stockholm where he will be working for the Nordic Council. The third man is no other than Olafur Ragnar Grimsson, president of the Parliamentarians for World Order. Staksteinar today will discuss the issue of whether the trio should be viewed as political refugees from the People's Alliance power clique.

Reduction in the People's Alliance

Public opinion polls show that it does not seem to matter what measures the leaders of the People's Alliance initiate in the hope of increasing their popularity and the popularity of the party, the results are next to nothing. If the past year is viewed and the Hagvanger surveys that have been published here in the paper are taken as a base of reference, it can be seen that in July 1984, 14.9 percent of the people interviewed said that they supported the People's Alliance but only 12 percent supported the party in July of this year. In the elections in April 1983, the People's Alliance received the support of 17.3 percent of the voters.

The reduction in the People's Alliance is not only manifested in the public opinion polls. In recent years, various influential people within the party have disassociated themselves from the party with public statements. What dissatisfied People's Alliance members or former People's Alliance members say during private conversations will not be discussed here. This reduction of the party only calls to mind the political refugees from the poor communist states where people are not only bankrupt in the financial sense of the word but ideologically as well.

It is interesting that those who now are leaving the People's Alliance, keeping the leadership in mind, are especially men who are known to have previously worked for other political parties. History teaches us that the old core of communists still holds all the reins in the People's Alliance, makes it a practice in order to increase the party's support, to annihilate people from other political parties and launch them to the highest ranks and then drop them. It suffices in this case to mention Hedinn Valdemarsson and Hannibal Valdimarsson to show what we mean. The power elite of the People's Alliance has also felt that it was profitable to adopt writers and other kinds of artists to give the party a cultural aspect. In that respect, for example, Svava Jakobsdottir and Gudrun Helgadóttir can be mentioned.

In recent years, the People's Alliance has not gained any support that has improved its position within the labor movement. No labor leader who has been able to revive the struggle for the wage earners has surfaced from the ranks of the labor movement. The old song on Gudmundur J. Gudmundsson's record has become so familiar that everybody has become tired of it. On the other hand, "technicians" from the People's Alliance, such as Asmundur Stefansson and Throstur Olafsson, have obtained key positions within the labor movement, although their connection with the party or the people has not been strengthened by that.

New Refugees

Many of those who joined the ranks of the People's Alliance at the same time as did Olafur R. Grimsson and who came from similar directions are now abandoning the People's Alliance. It is probably safe to say that Einar Karl Haraldsson, former editor of THJODVILJINN and current managing director of the People's Alliance, will not depart with sadness and regret from his work for the party. On the contrary, everything indicates that Einar Karl was willing to go to great lengths in order to get away from the old and established power clique which in reality decides everything that matters within the People's Alliance, and Party Chairman Svavar Gestsson is the representative of that clique.

Baldur Oskarsson, Einar Karl's predecessor as managing director and a political foster brother of Olafur R. Grimsson for years, is no longer active in party work in the People's Alliance. Svanur Kristjansson, Olafur R. Grimsson's colleague at the University of Iceland, has resigned from the People's Alliance and so on and so on. Obviously Olafur R. Grimsson is being cut to the quick but he was at one time the chairman of the parliamentary group of the People's Alliance and chairman of the party's executive board.

In recent months, Olafur R. Grimsson has mainly made his presence felt abroad and for a while at least, he acted as if the five-continent-peace initiative which the Parliamentarians on World Order sponsored was the beginning of a new phase in the history of man. Whether that hope of Grimsson's comes to pass or not, it is clear that his star within the People's Alliance does not shine as brightly as it did before. There are many indications that the communist power clique in the People's Alliance considers that Olafur R. Grimsson has served the role that suited the party. He lost in the party's 1983 parliamentary primaries and it does not seem all that obvious that he will get a definite seat in the Althing in the next elections. Grimsson has decided to return to teaching at the University next winter.

At the same time that there are many indications that the time of the Modruvellingar (splinter group) in the People's Alliance is over, the representatives of the power clique have also begun to snipe at Gudrun Helgadóttir, parliamentarian and writer. Helgadóttir is now involved in a controversy with the women's wing of the clique in THJODVILJINN where she is fighting with agility as must be clear to the readers of 'Staksteinar.'

POLITICAL

ITALY

PCI'S RUBBI ON CONGRESS FOREIGN POLICY TOPICS

PM081556 Milan L'UNITA in Italian 24 Jul 85 pp 9-10

[Unattributed report on PCI Foreign Section Chief Antonio Rubbi 23 July address to PCI Central Committee and Central Control Commission Session in Rome]

[Text] It will be helpful to convene the congress, Foreign Section Chief Antonio Rubbi said, because we need to update and develop our policy line, to regenerate the party and its structures and leadership groups. We will disappoint those who believe our strength has already begun to decline because, as we have succeeded in doing on previous occasions in our history, we will manage to find a line better matched to society's demands for change and to the need to equip the party adequately to this end. We must make a twofold effort--to conduct an open-minded and in-depth critical examination of our policy and to introduce the necessary innovations in terms of ideas, platform proposals, and strategic development of our policy. This is also necessary in the field of our party's international formulations and action, which most recently has lacked the impetus of new ideas and the capacity to put forward proposals and initiatives of our own. Over the past decade we have worked positively to formulate and assert three fundamental strategic linchpins of our foreign policy: a precise Western collocation of our party within the system of Italy's Atlantic and European alliances; an in-depth and critical analysis of the experiences of socialism hitherto carried out and the quest for our own specific and original path; and the acquisition of a complete political autonomy of thought and deed. This has been a source of great credit and forms the basis for the prestige and support that we have earned internationally and that has granted our nation unquestionable advantages too. At our 17th congress we must reassert these three linchpins of our foreign policy, without deviations or vacillations. But the novelties in European and world politics require us to formulate new stances and new proposals in three directions in particular: what policy and what specific proposals we should contribute within the international alliances within which we are situated; how to orient our entire policy toward acquiring a European dimension; and what use to make of our autonomy in order to contribute to the building of "a new kind of internationalism."

In order to advance resolutely along this path we must free ourselves of certain inhibitions that still hold us back. For instance, the anxieties that still remain within the party concerning our stance with respect to the socialist countries--a stance which, following the formulations we have made and the

verdicts we have issued, can now be entirely unbiased. This does not imply alienation inasmuch as we--like anyone else who has the world's future and the general process of human emancipation at heart--cannot remain indifferent toward their situation, their policies, and their conduct; but neither can it imply self-identification, inasmuch as we want to carry out another, different experience. An entirely free, unbiased, and objective stance enables us to draw a distinction even within those countries between policies of conservation and policies of regeneration. This is why our verdict now on Gorbachev's new course and on his intentions to introduce thorough innovation is different from that on previous phases of stagnation and paralysis. We must have no inhibitions in our relations with other forces of the workers movement either (communist, socialist, social democratic, and progressive parties). We intend to maintain relations with them all on the same level, on the same basis of autonomy of thought and deed, and with the same desire to establish constructive accords and forms of cooperation. But we must be prompter and more active in putting forward the substance and contexts for such cooperation.

In this connection Comrade Rubbi indicated two fields of specific work in which the party must make a qualitative leap forward, both in its ideas and in its initiatives--the topics of security and underdevelopment.

A correct definition and framing of the issue of security and disarmament is crucial to the future of our continent and to the prospects of the European Left. A Left in Europe that lacks a clear stance on this problem and a consistent policy has little chance of attaining a leading role in governing processes of change. The same applies to us and to our sharing in the task of leadership and government of Italian society.

The other field of attention must be that of underdevelopment and famine, which is one of the most distressing and harrowing aspects of the world's economic disorder and of the savage struggle for new positions of domination on the part of economic and financial big capital and for the establishment of military strategies and strong-arm policies. It is not only the lives and the future of hundreds of millions of men and women that are at stake, but also the peace, independence, and freedom of many peoples and major ideological and human values of life, emancipation, justice, and progress.

Comrades Rubbi proposed that the party set to work right away without awaiting the congress to formulate a precise stance on the issues of European security and to redraft the "Charter of Peace and Development." This is necessary partly to ensure prompt action with appropriate initiatives with respect to two of the most pressing problems of the moment--disarmament and development.

CSO: 3528/103

POLITICAL

NORWAY

SOCIALIST-LEFT PARTY NEWSPAPER IN ECONOMIC DIFFICULTIES

Oslo NY TID in Norwegian 15 Jun 85 p 2

[Interview with Board Chairman Arne Pettersen: "NY TID in Crisis?"]

[Text] Crisis at NY TID? Arne Pettersen, who took over as board chairman in February this year, does not want to use too strong words, but he stresses that the situation at the paper is serious.

[Question] And there will be cutbacks?

[Answer] "This we will not avoid. We are forced to make a reduction corresponding to three jobs as compared with today's level."

[Question] And an equivalent reduction in the level of ambition and number of pages?

[Answer] "This is /not/ [in italics] the intention. We want to maintain a high level of ambition. This will require more of the staff, but with a better and more efficient operation we believe it is possible to develop the paper and give its readers a broad and serious newspaper offering."

[Question] What is the reason for the belt tightening?

[Answer] "There are many. NY TID has in reality had a decline in material for almost four years--after a peak in the fall of 1981. The changeover to a Saturday paper was an attempt to turn this development around. We managed to stop the decline last year. This year the trend is pointing down again. This means that sales revenues are not equaling the expenditure side and the number of personnel."

[Question] What are the realities in simple figures?

[Answer] "In connection with the changeover last year the paper gambled high and budgeted a deficit of 400,000. We had expected a distinct increase in issues. The board discovered too late that this increase was far less than expected. In addition, there were several overexpenditures, which ultimately resulted in a deficit last year of 1.2 million."

"When this final figure lay on the table, the board of directors and management together with the employees set up a budget which was to result in a profit of 300,000. The objective was to take back last year's deficit over the course of a 4-year period. Now we are seeing that the income estimate in this budget is not holding true. In order to manage a reasonable profit this year and realistic operation in the black next year, we are forced to cut back. It is a painful process, but totally necessary."

[Question] But the paper can really earn more money?

[Answer] "We ought to. The next element in this process will for this reason be to follow up signals which have come from the editorial staff regarding a sweeping analysis of the product. Most reactions after the change-over to a Saturday paper are to the effect that the paper has become better. At the same time it is clear that it is not good enough to succeed in a market which obviously has become much harder the last few years. And we also have to take a closer look at our marketing work and make it more efficient."

[Question] Is the hope that NY TID will become more of a party paper?

[Answer] "The editorial profile is the responsibility of the editor and editorial staff. But in the debate now it has been expressed by the editorial staff that the newspaper can advantageously be politicized more. I agree with the independent line the newspaper has in relation to the party. But I also agree with the editorial staff which now wants a closer examination of what it will mean to be the leftist movement's weekly paper."

[Question] Is the Socialist Left Party being kept informed of developments as a party?

[Answer] "Yes. We informed the national executive committee this spring and the general assembly 14 days ago. However, the latest development came on so suddenly that we did not have time to inform the national executive committee. But the party's central organ has of course been informed from day to day the past week."

[Question] Has the situation resulted in conflicts?

[Answer] "In the main I would say that the process has been peaceful. It is of course painful with cutbacks. But it is an advantage when it can take place in cooperation between the board of directors, management and employees, such as it has proceeded up to now."

[Question] How gloomy is the situation for NY TID?

[Answer] "It is serious, as I said. It is for this reason that we must deal so harshly. But it can change to the positive. If we manage this process and create new enthusiasm and faith in the project then we can quickly enter a positive development. But much depends, for example, on NY TID's friends' standing behind the paper, and that we get a good disbursement in the election campaign--through sales of single copies and subscription recruiting. This situation ought to be an incentive for an effort for the paper."

8985

CS0: 3639/144

POLITICAL

NORWAY

COMMUNIST PARTY'S STORTING ELECTION GOALS DISCUSSED

Oslo FRIHETEN in Norwegian 4 Jul 85 p 7

[Commentary by Wilfred Hagen: "The NKP [Norwegian Communist Party] and the Storting Election"]

[Text] The 1985 Storting election will give the NKP a unique opportunity to promote strategic new thinking in the Norwegian labor movement. This certainly calls for an important adjustment of the NKP's own strategy, but why not? It is an adjustment which has little by little become necessary.

First, what the NKP's strategy concerns.

The party will not be able to play any role in the Storting election as long as attitudes toward a change in government are so bombastic and bewildering as they are. The bewilderment is due to the unity policy problems which the party has in relation to the Social Democratic Party, and which it is obviously extremely difficult to find a solution to. The reason for this again is to be found first and foremost in the NKP's imprecise association with the anti-monopolistic strategy which it admits to.

NKP Lacks Strategic Yardstick

Right from the Socialist Left Party's fiasco days in the middle of the 70's one weakness has been obvious: the party's lack of a tangible exact /yardstick/ [in italics] for the development phase Norwegian politics are in. This lack manifested itself to a special degree again at the end of the 70's, when the crisis in international capitalism set in over Norway and created fundamental problems for the Labor Party and its government. Next the Conservative Party came to power, and since then it has become steadily more obvious that the NKP lacks a developed yardstick which covers the job of stopping conservative growth and of neutralizing the Conservative Party and conservative forces in Norwegian politics for a long number of years to come.

In other words: Is our conception of the party's antimonopolistic strategy really so "two-phase-marked" that we do not find authority for a third more down-to-earth phase limited to having the conservative forces neutralized? Then in reality we have no political strategy. What we have is a translated, learned-by-rote scheme.

New Strategy for Labor Movement

Without a yardstick which is limited to having the conservative forces neutralized, it will probably be completely impossible for the NKP to have brought about those changes in the /labor movement's strategy/ [in italics] which the conservative growth has made necessary. For what must these changes involve? Nothing less, really, than to get a new foundation laid to be able to regain the labor movement's leading role in Norwegian politics.

When all is said and done, it is certainly the labor movement's lacking ability to gather around itself many and sufficiently large other population groups which have made and are making conservative growth possible. Previously the Labor Party was able for many, many years to represent almost on its own the labor movement out among the people. In any case, sufficiently to keep the Conservatives away from leadership of the development of the society. But the crisis development in international capitalism put an end to this at the end of the 70's, and probably forever.

A Common Political Basis Necessary

There is no other labor party which today is able to fill this role outside of the Norwegian Labor Party. Consequently, the labor movement must present itself in another manner than previously before the other population groups, something which can only imply that the labor parties must come up with a /uniform and common political basis/ [in italics] in which to represent the labor movement.

This is what has become necessary in order to be able to restore the labor movement's leading role in Norwegian politics. But is it possible? If so, the possibility must lie in the fact that the leading role which is talked about here must consist in the fact that the labor movement place itself at the head of a broad, extremely broad, political coalition among the people--with a front exclusively against the Conservative Party and the social model the Conservative Party stands for.

Electoral Pact Will Not Resolve the Main Issue

In spite of the fact that a change in government in the fall hangs on so thin a thread that it almost cannot be seen, strangely enough this perspective has the smallest place, if any place at all, in the labor parties' election preparations. On the other hand, the electoral pact illusions have been very popular. The only thing missing now is that we through the entire election campaign have a silly debate regarding who has the responsibility for the fact that the electoral pacts came to nothing.

The electoral pacts have really been thought out too little all the way. And the so-called left wing's strong involvement has been the strangest--in consideration of the fact that a change in government in favor of a purely Labor Party government can only solve the preliminary quite immediate problem: to get the Conservative Party removed from leadership. Like the Labor Party,

for this reason the left wing's parties also should have had their remonstrances, if for nothing else then out of regard for their own voters' integrity.

A Change in Government Must Be Strengthened for a Long Time

However, with a strategy to neutralize the Conservative Party for a long time to come a change in government in the fall will not be sufficient. For this a common political basis is required which the entire labor movement can get together on--for next to be able to strengthen the change in government and gradually expand the basis for it and in this manner make it viable and lasting.

That this is a demanding and difficult strategy is self-evident. But for this reason it certainly does not have to be excluded from the election campaign. On the contrary, the necessary political rapprochement should take its justification precisely in the election campaign.

If this happens, in any case we know that everyone who belongs to the labor movement, without exception, will be able to wholeheartedly and actively advocate a change in government after the fall Storting election.

8985

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POLITICAL

NORWAY

SOCIALIST-LEFT PARTY FIGURE ON SECURITY POLICY DEBATE

Oslo NY TID in Norwegian 8 Jun 85 p 2

[Interview of Stein Ornhøi by Terje Erikstad: "Deception in Nuclear Policy"]

[Text] "We almost managed to defeat Willoch for re-election on the Star Wars issue. In the short term it is extremely good that we have now sapped the Storting majority Willoch and Stray rely on in foreign and security policy," Stein Ørnhoi says after Tuesday's Star Wars debate.

"I will predict that in the course of a year or two we will, regardless of which government we get in the fall, get a new security policy basis for the government. Willoch or the Christian People's Party cannot live with the situation we have now. Both Willoch and the Christian People's Party's parliamentary leader have realized this," Ørnhoi says.

[Question] But have we come closer to the goal of a nuclear-free Norway?

[Answer] "No; this development is not the same as making Norway nuclear-free. The road to this is incredibly long. What we have done up to now is to prevent everything from becoming worse and worse. There is still a way to go before we can begin a stepdown."

[Question] Why did the Socialist Left Party raise the motion in the Storting yesterday that the so-called COB agreement must be renegotiated?

[Answer] "The most important questions now as far as Norway's nuclear freedom is concerned are the air reinforcement agreements which Norway has entered into with the USA. These agreements go under the names COB and INVICTUS. They are to the effect that the USA is constructing depots with fuel, spare parts and ammunition at all major airfields in Norway."

"The Americans can transfer units by combat planes to these airfields in just hours."

[Question] Will these airplanes be carrying nuclear weapons?

[Answer] "The answer is quite simple: These airplanes have nuclear weapons as their ordinary arms."

[Question] Is it not the Norwegian authorities which decide which weapons these airplanes are to be carrying?

[Answer] "They say that Norway through its political authorities at any time will be able to decide whether nuclear weapons are to be brought to Norwegian territory. But of course the Americans will not ask the Norwegian authorities what kind of weapons they are to bring in with them. The Americans will come when it is in their own interest and they will take with them those weapons they consider militarily necessary. It is political deception to try to lead people to believe that it is otherwise. In a crisis situation the Americans will do what they find necessary."

[Question] Is it practically possible for Norwegian authorities to make such decisions regarding weapon types during the hours at their disposal?

[Answer] "No."

[Question] What is it specifically the Socialist Left Party is asking for as far as these air reinforcement agreements are concerned?

[Answer] "What we have requested is that the air reinforcement agreements be renegotiated with an aim toward having included a stipulation that nuclear weapons are not to be brought into the country within the scope of these agreements."

"When we demand this in the Storting then we are alone. We have experienced time and time again that when the choice is between no to nuclear weapons and loyalty to NATO, then it is NATO loyalty which weighs heaviest for the other parties."

[Question] Is it possible to renegotiate these agreements so that they become nuclear-free but nevertheless to maintain membership in NATO?

[Answer] "It is certainly possible in a way, but then membership takes on another color. If Norway is just approximately to have the freedom it is said we have in NATO, then it would not be any problem."

"As a party the Socialist Left Party stands alone as the principal opponent of nuclear weapons in the Norwegian armed forces. Even the Liberal Party backs down when it is really important. On 13 December of last year we advanced a motion that the so-called INVICTUS agreement should be renegotiated with the aim of getting included a stipulation that nuclear weapons are not to be brought into the country within the scope of the agreement."

"The Liberal Party's Hans Hammond Rossbach then stated that the agreement was 'necessary' and that everyone 'agreed that it was an important agreement for our entire defense system.' He also believed that the Norwegian authorities had control and that the agreement did not break with Norway's base policy. This was his voting statement for why he voted against our motion. This shows that the Liberal Party does not have a clear stand against nuclear weapons in the defense of Norway."

POLITICAL

NORWAY

CHARGES OF SECRET OIL SHIPMENTS TO SOUTH AFRICA STIR NORWAY

Union Alleges Secret Shipments

Oslo AFTENPOSTEN in Norwegian 9 Jul 85 p 4

[Article: "Seaman's Chaplain in Durban: Covert Norwegian Oil Shipments to South Africa"]

[Text] Norwegian ships are transporting oil to South Africa under a concealed identity and according to a special procedure. In addition, calls of Norwegian ships at Durban, South Africa's largest port city, increased by 50 percent from last year to this year. Seaman's Chaplain Knut Harald Seth has told this to NRK's [Norwegian Broadcasting Service's] Africa correspondent.

Seth, who has finished his contract in Durban, says further that the seaman's church's attempts to question the port authorities regarding the ship's name during certain Norwegian calls most often resulted in the answer that the ship's name was unknown. Seth thinks that Norwegian ships are calling at South Africa under a coded name, but the seaman's church was able to register the increase in the number of calls by means of newspapers and letters which were to go out to the various ships. According to the seaman's chaplain, the South African secret police kept a good eye on the Norwegian seaman's church. There are harsh penalties in South Africa for disclosing secrets concerning the country's oil imports, up to seven years in prison.

Norwegian Shipowners Association Administrative Director David Vikøren tells AFTENPOSTEN that there has only been a single case in which a Norwegian ship was to have gone with a concealed identity, and that was several years ago. The shipowners association does not know of anything similar taking place today. For this reason Vikøren takes a skeptical attitude toward the accuracy of the report that Norwegian ships are calling at Durban under code names.

"Besides, it is completely forbidden to conceal a ship's identity; there is nothing which can justify such an action. By the ship's identity, we mean the ship's name and nationality," Vikøren says. But he emphasizes at the same time that the shipowners association is not engaged in what he calls "police work," i.e., checking to what extent all Norwegian ships act legally.

"To the extent it concerns breaking Norwegian law, it is the Norwegian police authorities who ought to investigate the matter," Vikøren believes. He points out that South African authorities are very interested in protecting those who desire confidentiality regarding a call. This can occur regardless of the shipping company's wishes or actions. It is the charterer who decides where the ship will go and he places on the shipping company too the obligation of silence regarding the ship's cargo and destination.

Frøysnes: Too Early to Prepare Annual Statistics

Foreign Affairs Ministry Undersecretary Torbjørn Frøysnes says in a commentary on the reports regarding increased Norwegian oil shipments to South Africa, that it is too early to prepare statistics for 1985. According to the reports UD [Foreign Affairs Ministry] has received, the average figure last year was one Norwegian ship per month.

"Shipments of oil vary strongly from quarter to quarter and the figure at the year's end can prove to be the same as last year," he says.

Frøysnes reports besides that 95 percent of the oil which goes to South Africa comes from Arab countries around the Persian Gulf. At least half of this oil goes directly to the country. Reports which have been available to UD show that only a few shipments came from Norway. According to Frøysnes, this took place as a rare exception.

As far as Norwegian ships and their participation in the shipments are concerned, it often occurs that the oil is sold to international oil dealers. The cargo can change owners several times en route and the shipping company does not have control over it.

"But it is obvious that if an arrangement were to be gotten whereby shipping companies committed themselves in advance not to sail to South Africa, then a number of charterers would lose interest in Norwegian tankers," Frøysnes tells AFTENPOSTEN.

In order to gain a better perspective regarding these shipments, the government has entered into an agreement with the Norwegian Shipowners Association. "The authorities are to get information regarding how many Norwegian ships at any time transport oil to South Africa," Frøysnes reports. The arrangement has not yet come about.

The Storting Foreign Affairs Committee has asked that this arrangement be expanded to hold also for other voyages to South Africa and that the names of Norwegian ships which call on the country be published. The shipowners association answered that they cannot cooperate in this. The authorities are now assessing how this situation is to be grappled with.

Oslo AFTENPOSTEN in Norwegian 10 Jul 85 p 4

[Article by Eivind Fossheim: "Secret Calls of Ships on South Africa: No Norwegian Ships Disclosed After 1980"]

[Text] In spite of enormous secretiveness around the transport of oil to South Africa and the many crafty methods which have been used in order to conceal shipments, since 1980 no Norwegian ship has been disclosed which attempted to conceal its identity during the unloading of oil there. At the Shipping Research Bureau in Amsterdam, which registers calls of ships on South Africa, AFTENPOSTEN was informed that that time it concerned a Norwegian ship which entered a South African port with a covered name.

But at the Dutch bureau it is emphasized that registration work is very time consuming and that it cannot be totally disregarded that Norwegian ships could have sneaked in with a concealed identity. With the many kinds of methods which are used in the transport of oil to South Africa, it is immensely difficult to disclose situations against the rules. Ships often give a false destination, they pump oil over to another vessel on the open sea, change names while unloading, or make use of falsified papers. For example, the Dutch bureau claims to have discovered that Norwegian ships, too, have given false ports.

It was Former Seaman's Chaplain Knut Harald Seth in Durban who in an interview with NRK's correspondent in Africa stated that Norwegian ships are going in secrecy to ports in South Africa. According to the seaman's chaplain, Norwegian oil traffic to Durban had increased in the first few months of this year.

Contention Regarding Several Calls

Trade Ministry Undersecretary Arne Synnes points out that the information from Knut Harald Seth regarding the fact that calls of Norwegian ships at Durban in South Africa have increased by 50 percent from last year is based on figures for the first three to four months of this year. It is much too early to make a statement on the trend in light of such tentative figures, but it is disturbing, Synnes believes.

The Trade Ministry has taken the initiative for a meeting with the ministers in Liberia, Panama and Greece in order to try to have an international action coordinated against South Africa. The ministry is also working on a bill which can give legal authority to register all Norwegian ships which go to South African ports.

According to the shipowners association there has been some increase in the number of Norwegian ships to South Africa in the first five months of this year. "A total of 23 Norwegian ships have called on ports in South Africa with crude oil, gasoline and chemicals in the first five months of 1985. The figure last year was 24 ships, while there were 21 calls in the same period in 1983," shipowners association Section Chief Erik Aamodt reports to NTB [Norwegian Wire Service].

Complete Openness

At the Seamen's Mission's main office in Bergen and at the seaman's church in Durban it is reported that calls of Norwegian ships occur with complete openness and that seaman's churches have no problem in procuring information from port authorities. Neither the Trade Ministry nor the shipowners association has been in contact with Seth, who is now in Hong Kong. He is expected in Norway in a week and a half.

Shipowners association Director Rolf Hasselgård stresses to AFTENPOSTEN that Norwegian ships are not concealing their identities in calls on South Africa. That the port authorities in South Africa use codes when ships call is exclusively an internal matter and has nothing to do with concealing of identity.

The Norwegian Seamen's Federation has received different reports regarding secretiveness in calls on South Africa. In light of communications from members, the federation last fall sent a letter to the Trade Ministry in which it reads, among other things, that oil traffic to South Africa is taking place in secret, and that seamen are receiving strong requests to remain silent.

The Norwegian Seamen's Federation looks with strong aversion at the fact that members are being exposed to such treatment and that they are being forced to carry out an activity which large sections of the international community regard as illegitimate. The seamen's federation has not received an answer to the letter to the ministry.

Investigation

As AFTENPOSTEN understands it, the Trade Ministry will begin a full investigation of the assertions that Norwegian ships are painting over their names in order to conceal their identities in South African ports. At the same time there is reason to believe that steps will also be taken to carry out the registration of Norwegian ships which call on South Africa. Trade Ministry Undersecretary Arne Synnes stated to AFTENPOSTEN's radio news yesterday evening that the Trade Ministry is working on a bill which is to be presented to the Storting, which can give legal authority for the registration of Norwegian ships which call on South African ports. "We did not have time to do it before the summer vacation and also were not able in the meantime to bring about a voluntary arrangement with the shipowners association regarding this," Synnes said.

Stepped Up Inspection Urged

Oslo AFTENPOSTEN in Norwegian 11 Jul 85 p 4

[Article by Roar Østgårdsgjelten: "Calls of Ships on South Africa to Be Investigated"]

[Text] The Trade and Shipping Ministry has asked the Shipping Directorate to investigate the claims that a tanker which belongs to the Oslo

Sig. Bergesen d.y. [Jr.] & Co. shipping company has called on ports in South Africa with a concealed identity.

Both the Norwegian Shipowners Association and the Bergesen shipping company deny that anything of the sort has taken place. The shipowners association is reacting strongly against the fact that Trade Ministry Undersecretary Arne Synnes in a press release furthered the rumor regarding secret calls of ships on South Africa without taking into account earlier information from the shipowners association and the shipping company. Shipowners association Director Rolf Hasselgård in a letter to Undersecretary Synnes writes that he with his press release has sown doubts regarding the shipowners association's and individual shipowners' credibility.

"We must request that the ministry immediately present the necessary documentation of the alleged violations of the law. The results ought to be made known as early as possible," Director Hasselgård writes.

Undersecretary Arne Synnes says that the purpose of the press release from the Trade Ministry was not to sow doubts regarding either the shipowners association's or individual shipowners' activities as far as the shipping of oil to South Africa is concerned.

Synnes says that the ministry is just following a standard procedure to throw light on the rumor regarding secret calls of ships on South Africa. The Shipping Directorate was contacted on Wednesday and it is the shipping inspector in Oslo who will investigate the validity of the claim made by a foreign seaman.

Both the Sig. Bergesen d.y. & Co. shipping company and the ship's captain earlier categorically denied to the Foreign Affairs Ministry that the tanker was to have called on South African ports with the name of the ship and the shipping company painted over.

Bergesen shipping company Operations Chief Sam Alshager tells AFTENPOSTEN that the ship which is supposedly referred to is the "Berge Pioneer." The tanker was not at the position it was stated to be at when according to the rumor it was to have gone to ports in South Africa with a concealed identity.

Alshager says also that it is technically impossible to paint over the ship's and shipping company's names with the limited number of crew members who are on board at any one time.

"Then we would have had to paint the entire ship. We have neither time nor money for this," Alshager says.

He says that the Bergesen shipping company never intended to hide the fact that it has had and has transport assignments to South African ports.

Alshager confirms that the shipping company has had more than one but less than five calls with a cargo of oil for South Africa up to now this year.

The captain of a Norwegian tanker was fined once earlier for having concealed the ship's identity when it unloaded oil in South Africa. This occurred in 1980 when an Oslo-registered tanker painted over the ship's and the shipping company's names and the home port before it called on South African ports. The ship's captain was given the option of a fine of 3000 kroner in lieu of prison, and the fine was accepted, Shipping Inspector Ole Leithe in Oslo reports.

LO [Norwegian Federation of Trade Unions] Demanding Halt to All Trade with South Africa

The Norwegian Federation of Trade Unions has prepared a list of 12 specific measures against South Africa. The purpose is to halt all Norwegian trade with the apartheid government. LO together with the Norwegian Chemical Industry Labor Federation, Norsk Hydro, Elkem and the Årdal og Sunndal Verk [Årdal and Sunndal Plant] are requesting a stop to the use of electrolytic manganese from South Africa in aluminum production. The Tinfos Iron Works and Elkem are being requested to look for other suppliers than South Africa for manganese ore for the ferromanganese industry here at home.

In a letter to the government LO writes that harsher pressure measures must be carried out against the apartheid government in South Africa. LO has drawn up a list of 12 measures which it believes should be enacted:

"The importing of fruit and vegetables from South Africa must be banned effective immediately."

"The public registration of trade with South Africa must be introduced immediately."

"A changeover fund must be established for replacing trade with South Africa. The fund must be used for payment for and proposals for replacement, product for product; for finding new markets and suppliers; and for supporting direct losses in the replacement process."

"Investments in South Africa must be banned."

"The government must defray the withdrawal of investments which have been made."

"A ban against exportation of oil to South Africa."

"The government, together with the other EFTA countries, ought to inquire regarding support of the EC code for companies working in South Africa, and the code should be strengthened."

"The government must, together with the Scandinavian countries, take the initiative in the International Monetary Fund (IMF) and World Bank to terminate loans and credit for South Africa."

"The registration of Norwegian ships which sail to South Africa must be begun immediately."

"A new initiative should be promoted to get more countries to register international shipping to South Africa."

"Propose a UN conference between oil-producing and oil-transporting countries in order to chart and enact an international ban against the exportation and transport of oil to South Africa."

"The government should defray the danger of counter measures by the South African government and measures to soften the effects of reprisal measures."

In the letter to the aluminum industry from LO and the Norwegian Chemical Industry Labor Federation it is pointed out that an especially important area in economic relations between Norway and South Africa is associated with aluminum products.

Norsk Hydro Information Director Odd Gullberg tells AFTENPOSTEN that Hydro uses extremely little electrolytic manganese in its aluminum production.

"We have no agreement with any country regarding such orders, but we buy it on the open market where it is cheapest," Gullberg says. He adds that Norsk Hydro will shortly receive a shipment of electrolytic manganese from the USA which will be sufficient for a half year's production.

"To start with, we will try to shun electrolytic manganese which we know comes from South Africa and will instead try to get hold of the product other places for an equivalent price," he says.

Norsk Hydro also imports phosphate from South Africa for its fertilizer production.

"We are dependent on a certain quality for phosphate in order to get our manufacturing plant to function technically. The phosphate we buy from South Africa is well suited to this production process. We have bought somewhat less phosphate from South Africa this year than previously. We are making an evaluation and are trying to come up with other suppliers, but this is a price question," Gullberg says.

Knut Frydenlund: "Blacklist All Ships"

Ex-Foreign-Affairs-Minister Knut Frydenlund said at a press conference in Oslo on Wednesday that an international boycott of all ships which sail to South Africa should be carried out.

Frydenlund said that a blacklisting can be carried out by ships' which demonstrably have transported oil to South Africa being refused oil cargos in the future.

"Then it will get to be up to each individual shipping company to make an economic assessment of continuing to transport oil to the country," Frydenlund said.

He added that it is to no purpose just to forbid Norwegian shipping companies from calling on South African ports with oil, because this will unilaterally harm Norwegian shipping.

Foreign Affairs Ministry Undersecretary Torbjørn Frøysnes reported at the press conference that several Gulf states have made similar resolutions as Norway has regarding not selling oil to South Africa. Nevertheless, these same nations account for 95 percent of the supply of oil to the country.

To the question of what Norwegian authorities intend to do with Norwegian shipping companies which do not declare calls of ships and the names of ships which call on South Africa, Frøysnes answered that the authorities will take the measures which are necessary in order to accomplish registration.

"I am familiar with the fact that the Trade and Shipping Ministry is evaluating introducing legal authority for the registration of calls if the shipowners association does not cooperate regarding this," he said.

Norwegian Shipowners Association Director Rolf Hasselgård tells AFTENPOSTEN that it is not a normal duty for the association to develop lists and information systems for calls of ships and the various destinations of ships. However, the shipowners association is willing to present statistics on how many ships call on South Africa and how great amounts of oil are transported on Norwegian ships.

"If a legal order comes, we must comply with it. But another side is the wisdom of this. Next it can lead to important consequences for Norwegian shipping. Here it is a question of jobs for seamen, a group which has already been hit by high unemployment. Will the authorities take part in planning a policy whereby they deprive seamen of more jobs?" shipowners association Director Rolf Hasselgård asks.

The Norwegian Seamen's Federation does not want to comment on the current controversy regarding secret oil cargos to South Africa, the federation's Vice-President Edvin Ramsvik says.

Willoch Rejects Oil Boycott

Oslo AFTENPOSTEN in Norwegian 12 Jul 85 p 9

[Article: "Increased Trade Between Norway and South Africa"]

[Text] Prime Minister Kåre Willoch tells the NRK Daily News that a unilateral Norwegian oil boycott of South Africa is not currently being considered. The government will await developments in South Africa before it takes any new measures against the regime. Storting Foreign Affairs Committee Chairman Jakob Aano (Christian People's Party) thinks that the government should

immediately begin unilateral boycott measures against South Africa. Norway's trade with South Africa increased by 12 percent from January to May this year, compared with the same period last year, figures from the Central Statistical Bureau show.

Exports of goods and services increased by 19 percent, to 273 million kroner the first five months of this year. Imports of goods increased by 1.8 percent to 162 million kroner. Trade between Norway and South Africa through the port of Oslo was reduced by 12 percent by volume the first quarter of this year as compared with 1984.

For the country as a whole, trade with South Africa increased by 1.7 percent by volume. Imports rose by 2.4 percent, while exports dropped by 23.5 percent as compared with last year. As far as the port of Oslo is concerned, imports of goods have been almost halved by volume, from 510 tons in the first quarter of last year to 250 tons in the first quarter of this year. The reduction took place within the fresh fruit and nuts group of goods. Exports through the port of Oslo increased both by value and volume.

"Measures Carried Out"

"Several of the measures LO is demanding that the government begin against South Africa have already been carried out. In accordance with a Scandinavian action plan from 1978, new investments are forbidden and Scandinavian firms have been urged to restrict any production," Trade Ministry Information Secretary Tor Husby says. He says also that Norway has begun a number of unilateral measures such as not giving State guarantees for exports, not giving exchange permits for Norwegian investments, not carrying out export-promoting measures, and making a political assessment in applications for a license for the export of ships to South Africa.

Norwegian Shipowners Association Director Rolf Hasselgård reports that the association has been in contact with several shipowners in order to investigate reports regarding the keeping of double logbooks and falsified papers. "All the shipping companies we have been in contact with say that they are totally unacquainted with double logbooks and falsified papers," Hasselgård says.

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POLITICAL

NORWAY

SVALBARD'S IMPORTANCE TO NORWAY, USSR EXAMINED

Important Outpost

Oslo AFTENPOSTEN in Norwegian 7 Aug 85 p 37

[Article by Torill Nordeng: "Norway Below The North Pole: Vigorous Outpost"]

[Text] August 14 will mark the 60th anniversary of Norwegian sovereignty over Svalbard.

During this entire century the archipelago has attracted attention. Its wild-life has been seen, researched and exploited.

Who came first is not known with certainty, but Willem Barents rediscovered Svalbard in 1596.

It is nevertheless certain that 44 nations have signed the Svalbard Treaty, which gives Norway hegemony over the "land with the cold coasts."

"Svalbard found" and this happened in 1194 if the Icelandic annals tell the truth. After 1230 we get to know a bit more: "Four days from Langaness in North Iceland northwards to Svalbard." The text is found in the Icelandic Book of Settlements.

Who Came First

According to the oldest known written sources, it was seafarers from Iceland who first discovered Svalbard. What traces the Russian Pomor traders, Norwegians and others may have left behind in "the land with the cold coasts" is the archeologists' task to discover. And excavations on Svalbard have a high priority among scientists. The Russians in particular are devoting a great deal of time and energy to this work. In the Russians' archeological museum in Barentsburg, the "capital city," hundreds of objects from past eras have been collected. Their assertion, made in the 1950's, that Pomor traders were the first to arrive on Svalbard is, however, not proven. Western investigators think it improbable that Russian Pomors were the first to arrive, even if this cannot be quite excluded. The identification and dating of old objects can give the answer.

Sixty Years With Norway

In today's political world, there are other, more important conditions which determine Svalbard's significance. It was put under Norwegian sovereignty on 14 August 1925. Norwegian law is in force and, together with Bear Island, it is a part of the Kingdom of Norway. The Svalbard archipelago, with West Spitsbergen, Edge Island, Barents Island, King Karl's Land, North-East Land, Hop and a number of small islands, covers a land area of 60,550 sq km just 1,000 km from the North Pole. The world's most northerly settlement is located here, 1 1/2 hour's flight from Tromsø. It is a gold mine for researchers from all over the world and it is a military-strategic border between East and West, where Norwegian and Soviet coal miners live and work each in their small local milieus.

According to the Svalbard Treaty, all signatories are to be treated equally. They will get to conduct their economic activity but in such a way that they are obligated to abide by decisions made by Norwegian authorities. In peacetime Svalbard is indisputably a demilitarized region.

Discoveries and Fishing

The road to Norwegian sovereignty over Svalbard has been a long one. Some 366 years were to pass before Svalbard was rediscovered after Icelanders had undertaken their 4-day sea journey to the "bottom of the ocean." Then the Northeast Passage acted as an encouragement, a short route from Europe to trading centers in the Orient.

The English made several attempts, and the Dutch were en route. Willem Barendsoon, or Barents, never found the Northeast Passage but he found Bear Island and Svalbard. He was without a commanding officer on the trip and when they reached the feared drift ice at 80° 10' N, he struck out on a new course towards the southeast. They found Svalbard, cut through by its narrow fjords and protruding mountains, or Spitsbergen.

Tales arose about Barents' 17 June 1596 find, even if Barents himself died of scurvy the following summer on the way south. Scurvy was an illness which afflicted many of those who braved the northern cold and darkness. But new expeditions soon started out from the busy harbor cities in Europe. The ocean around Svalbard was rich in whales, seals and fish. The fishing era on Svalbard had begun.

The Greenland whale was a particularly easy item to trade. The 50-cm thick layer of blubber was a sought after commodity for light and fuel. Whale meat was eventually found to be edible. And the warm sealskin should not be forgotten. The whale bones too could be used. Many an English gentleman has opened his umbrella with ribs made out of whale bones. Now it is the rich fishing banks around Svalbard which lure fishermen so far north. Shrimp trawlers come from as far away as Spain, but the catch is regulated and there is an established fish protection zone.

Peace and Treaty

Thus in 1919 the world was to meet at the peace table. A war had raged and new borders were to be drawn up. The Norwegian envoy to Paris, Fritz Wedel Jarlsberg, stuck to his conviction that Norway should be awarded the woman's-land of Svalbard. Only Norway and Sweden had economic interests of significance, in the areas of fishing and coal mining. A 1910-12 Norwegian motion for joint Norwegian-Swedish-Russian administration had not won sympathy. The major powers did not want a powerful Russia in the north. On 9 February 1920 the Svalbard Treaty was signed. Svalbard was to be placed under Norwegian jurisdiction. Ratification of the agreement, however, took 5 and 1/2 years. Norway had obligated itself to draw up a mining law and a commissioner was to scrutinize the land claims of other countries.

Some 44 countries have now joined the treaty. The Soviet Union waited a long time, even if they acknowledged Norwegian hegemony in 1924. The Soviet Union joined in 1935 only after all treaty parties had recognized the Soviet regime.

Russian Settlement

There are now almost twice as many Russians as Norwegians on Svalbard, approximately 2,000. They mine their coal at Pyramiden and at Barentsburg, prospect for oil in Vassdalen, send as many as 60 expedition participants on a research expedition, have their Aeroflot office in Longyearbyen, with airplane routes to Murmansk, have their own postal system, their own money, they register their own cars and set their clocks by Moscow time. In a March 1978 PRAVDA article it was said that "connections can be had by telephone with any city whatsoever in the country." The country was undoubtedly the Soviet Union.

In Barentsburg they have also built their culture and social house and a new consulate which juts out way up on the mountain slope. On the exterior is reddish yellow brick, inside there is marble, a fountain and large reception rooms. The consulate and a little Red Square are enclosed. The light-bulb at the top of the picket fence glows in the midnight sun.

Trust Arktikugol is the name of the mining company. How much coal can be extracted is not known, but reserves on the Russian land claims are almost exhausted and the company rents claims from the Great Norwegian Spitsbergen Coal Company, Inc. The Russians are not getting rich from coal mining on Svalbard, but it does legitimize their presence.

Geology

While doubt and uncertainty rage as to who first made a landing on Svalbard, the country's own history is open today. The mountains with their characteristic stratifications tell where coal is to be found, and for researchers the mountains are an open history book which goes back 1.5 billion years in time.

Fossils on the rock-strewn slopes also point towards a history. Sea life was rich when the climate was much milder. And on land which is now covered by ice glaciers forests once grew. Without a forest there is no coal either.

Theories assume that Svalbard was connected to Greenland. Over millions of years fissures developed, and continental drift, which is still going on, occurred and Svalbard was pushed northwards to the region of the cold polar winds.

A Summer Explosion

The scheduled airlines are heavily loaded, the charter airlines come on "French visits," and so do cruise boats which send fossil-buying tourists to the islands. The adventurous come in smaller boats, and the most advanced scientific research is conducted from research vessels.

For all of these people Svalbard has become a gold mine, for those who want to return to nature, for those who want to research it, and for those who want to exploit it.

The Russians have already begun trial drills for oil in Vassdalen. The news in July was that the Great Norwegian Spitsbergen Coal Company and Norsk Hydro, Inc. will start trial drilling next summer. Several companies have previously made attempts, with varying degrees of success and commenting sceptically. British Petroleum Norge is among those which is now creating a stir. Millions of kroner are being invested to map the sedimentary layers hidden under tons of ice several kilometers down the base of the mountain.

Research Platform

Altogether 14 nations have announced their arrival on Svalbard this summer. In the Norwegian Polar Institute's review of Svalbard research in 1985, close to 80 different projects are described. From the Norwegian Polar Institute alone, or from groups administered by it, 126 participants are listed.

Altogether there are approximately 100 participants listed from Statoil, Norsk Hydro, IKU, SINTEF, NILU, Nordisk Polarinvest, British Petroleum Norge, the Norwegian University of Agriculture and the universities of Oslo, Bergen, Trondheim and Tromsø.

However in the foreign research projects there is a somewhat uncertain number of participants because many researchers take part in several projects and thereby become "Tordenskiold's soldiers." An estimate made by AFTENPOSTEN shows that between 300 and 350 foreign researchers have found their way to Svalbard. From Japan in the east, from both East and West Europe and from the United States and Canada, researchers come with their aluminum crates which protect delicate equipment. Tents, clothing and provisions must also be shipped the long distance. There is no supermarket on Svalbard, let alone any special stores.

Largest and most costly are those research programs which run over several years. The Norwegian Pro Mare program has as its purpose researching a number of relationships in the marine ecological food chain, with particular regard to oil spills and other pollution.

In the ocean between Svalbard and Greenland the multinational MIZEX project is taking place. The marginal ice zone is to be mapped, together with ocean currents and variations in climate. The United States has been a large source of funding for this project, with financial support from the U.S. Armed Forces.

USSR Relations: 'Difficult Year'

Oslo AFTENPOSTEN in Norwegian 8 Aug 85 p 49

[Article by Torill Nordeng: "Norway Below The North Pole: Political Eagle Eye"]

[Text] Svalbard is demilitarized territory, and a main concern in both East and West is making certain that Svalbard is not misused. If Svalbard's demilitarized status were to be violated during a war, NATO will intervene to defend it. NATO's responsibility for securing Norway and Norwegian regions, Svalbard among them, is what lies behind this strategy.

It is frequently stressed by both Norway and the Soviet Union that calm and understanding reign up in the north. With the exception of the war years, the 60-year-old treaty has functioned as it should have.

The Soviet Union does not occupy any special position on Svalbard. According to the Svalbard Treaty, all parties to the treaty are to be treated equally. However, the fact is that Norway and the Soviet Union are the only two nations with permanent settlement on the archipelago.

Ever since Norway became a major arctic power 60 years ago when the treaty was signed, it has been asserted by the Soviet Union that, for this reason, Norway and the Soviet Union have a special position. This has led to great political interest in Svalbard, with Norway having been given the job of balancer between conflicting global interests.

"During and after the last war particularly, the region seriously came into the Great Powers' limelight, and Norway's delicate role became apparent, "Undersecretary Nils Morten Udgaard believes. As AFTENPOSTEN's Moscow correspondent from 1971 to 1975, he placed Svalbard in a historical/Great Powers context.

Molotov - Lie

It was the Soviet demand about obtaining Bear Island in particular Udgaard reported on in a 1974 article. In a dramatic evening meeting in the Kremlin on 11 November 1944, Foreign Minister Trygve Lie, who was visiting Moscow, was called in to see his colleague Vyacheslav Molotov. Molotov wanted Bear Island for the Soviet Union, Svalbard as a jointly owned Norwegian-Soviet

property and a lifting of the archipelago's demilitarized status. The reason for this was that the Soviet Union felt itself confined. The stir was to become great.

A forerunner of the 1944 Soviet claim was the 1941 German attack on the Soviet Union. At that time the Russians wanted to occupy Svalbard together with the English. A German occupation had to be prevented, not the least on Bear Island. The whole thing ended with a smaller Norwegian force and a few British soldiers being sent to Svalbard. The Americans were on Jan Mayen, which does not belong to Svalbard, with a navigation and radio transmission station.

But Svalbard Remained Norwegian

Gradually Molotov's claim came to public notice even if the matter was handled at the highest political level. When the Americans learned that Norway was well on its way to saying yes to Molotov's demand, on the assumption that Parliament would say yes after the war and that all the signatory powers would be presented with the finished draft of the Norwegian-Soviet agreement, the United States came forward with a counterdemand. The United States wanted the Arctic divided into two spheres of interest with, among other things, the right to military bases on Iceland and Greenland. The Soviet claim to Bear Island was shelved for the time being.

According to Udgaard, the tug of war over the strategic Arctic is a textbook example of how the Great Powers have watched over one another and allowed themselves to be affected by each other's chess moves in the polar regions.

So calm was established in the Svalbard case in 1947. Norway withdrew its 1945 concession, American personnel on Jan Mayen were long since back home again, the Norwegian garrison of 25 men was called home, and a new Molotov claim to Bear Island was waived. The Norwegian Government had both Parliament and Western opinion on its back. It would not be budged on the issue of sovereignty over Svalbard.

Difficult Year

Voices critical of Norway's role on Svalbard after the war have asserted that the Norwegian state has not shown enough willingness to invest in society near the North Pole. In the years after the Second World War few appropriations were made for either coal mining or social life. In addition, the glow faded from coal mining after a series of accidents at the Kings Bay mine in Ny Alesund. It was decided to disband the company and the Gerhardsen government received a vote of no confidence in Parliament. When 21 men died around November 1962, the mining town in Ny Alesund, the world's most northerly settlement, became a ghost town, with dead lying inside the mountain. Now the houses are being used by researchers. The Norwegian Polar Institute has a year-round scientific station there.

In his book "Political Svalbard" (Gyldendal Norsk Forlag, 1975), Willy Ostreng, the Norwegian researcher and administrator of the Fridtjof Nansen

Foundation in Polhogda, writes about the three phases in postwar Norwegian Svalbard policy. The "laissez faire" period from 1925-50 was characterized by the Norwegian Government's lack of desire to become actively involved in the administration of Svalbard. Individual persons and business concerns developed Svalbard.

The legal relationship was adequately covered by the Svalbard Treaty and the Bergverk arrangement. This was retrenchment time, something the district governors and mayo felt directly.

Ostreng calls the second period the "verbal period from 1950 to 1965." Retrenchment was still to go on, but there was a willingness to change conditions. District governors met with understanding on the matter of greater administrative possibilities, being able to enforce Norwegian law and getting an overview of what happened on the archipelago. Conditions which had existed from 1926 had to be changed. At that time the district governor was compelled to spend the winter in Ny Alesund after a visit. He had had the offer of a ride from Longyearbyen but did not return. There was a great deal of work in the office which had to wait until summer.

Norwegian Tightening

According to Ostreng, the period of action began in 1965. The administrative apparatus was strengthened, the labor bureau was set up, the interdepartmental Svalbard Committee was established, and the district governor got several assistants as well as a nature conservation adviser. Polar advisers were appointed in the Foreign Ministry and both the Justice and the Environmental Protection Departments got their own polar bureaus.

"Also, appropriations sped up in 1975 and for the first time in 50 years Norwegians witnessed a general political discussion about Svalbard in Parliament," Ostreng said in a conversation.

"Up until the 1960's Norwegian Svalbard policy had been based on a noninterference line. Tightening up on the Russians began. Among other things, the old prospecting fee of 500 kroner per land claim was increased to 1,500 kroner. The Russians paid without any fuss 2 years later. When the district governor discovered illegal goose hunting by the Russians, he levied a 50-kroner fine. With help from the consul the money was eventually collected.

"Even when the exercise of Norwegian sovereignty has been strong and firm, we have seen more and more examples of the Russians giving in. The 1976 case of the women is an example. The Russians wanted a lot more officials for the Aeroflot office in Longyearbyen than what Norway believed there was a reasonable need for, and Norway said no. On 23 December 1975, however, women and double beds landed. With the women, who obviously intended to stay for a long Christmas visit, the figure was too big. The women had to return home."

Except for small episodes from time to time, District Governor Carl A. Wendt characterizes relations with the Russians as correct.

The Military Platform

So there are only two nations, one of the 44 which have ratified the treaty, which are permanently settled on Svalbard. And the situation and the treaty are favorable to the Soviet Union, which has always viewed Svalbard as a security policy area, much as the West has also. But for the Soviet Union the region is the number one field of operation for the Northern Fleet. We know that they spend their time observing Western movements and that the work of Western researchers is being followed with great interest.

We also know that the Soviet Northern Fleet was built up to become the most important after the Cuba crisis. There is open sea from the Kola Peninsula and into the Atlantic Ocean, and 70 percent of the strategic U-boat fleet is based in the north at bases on Kola. Missiles from these nuclear-powered submarines in the Arctic can reach targets in the United States, China and Europe, Ostreng said.

Ostreng is of the opinion that we will witness a new arms race in the Fram Strait and the East Greenland Sea. The Russians have set up their area station for strategic submarines, something the United States has been prepared for. Svalbard therefore lies directly in the middle of a struggle which can unfold under the ice, with targets in all the points of the compass.

"Svalbard can become an antisubmarine base in a way," said Ostreng. "But in peacetime," he added, "the Soviet Union will restrict its activities so as not to provoke Norway." (The conversation with Ostreng took place before the Geco ship had its listening cable cut by a Russian frigate in the Barents Sea.)

Svalbard's strategic importance should also be seen in the light of the fact that the archipelago acts as a support base for the general development and research of the Arctic. "There are good communications between Svalbard and the Arctic states. There are no passport and visa obligations, there is a treaty which lays down the principle of equality as a basis, so it is simple to get there, physically and politically speaking," Ostreng emphasized.

Jurisdictional Problems

With there being international relations on Svalbard and Norway and the Soviet Union as players, Ostreng believes that we cannot expect any consistent Soviet desire to submit to all Norwegian rules. "There will be protests and compliance, quite simply because the Soviet Union does not know what the future will bring. They now have their common law to point to in various situations. If Svalbard becomes an area with more nations present, something they cannot prevent, then the treaty requires that all be treated equally. This will once again bring about a tightening up on the part of Norway," Ostreng believes. But whether there are two or more nations on Svalbard, Ostreng is certain that a heightened consciousness about Svalbard will lead to a tightening up of Norwegian hegemony over the archipelago.

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POLITICAL

TURKEY

INTERVIEW WITH POPULIST PARTY CANDIDATE GURKAN

Istanbul CUMHURİYET in Turkish 26, 27 Jun 85

[26 Jun 85 p 6]

[First part of interview with PP chairmanship candidate Aydin Gurkan by Fusun Ozbilgen; date, place not given]

[Text] The PP [Populist Party], the sole "left" party in parliament, has been wracked by internal conflict ever since it was formed. The party has been accused of not performing its opposition duties well and not offering an alternative. One group in the PP has joined in, even heading, these accusations. The leader of this group, Aydin Guven Gurkan, is preparing to challenge PP General Chairman Necdet Calp for the chairmanship. We discussed the problems of the PP and social democrats with Gurkan. A few days before the Grand Congress, the PP's opposition leader said they "would wave the banners of the constitution and freedoms" if he won the leadership. The interview with Gurkan follows:

[Question] As opposition leader within the major opposition party in parliament, how do you see our political structure, your own party and the steady strengthening of opposition parties outside of parliament?

[Answer] Some of this is natural. Each new party starting out in politics will form a certain power. There is no place in the world where all power resides only in the parties in parliament. There is no rule saying parties outside parliament cannot have power. It is something of a natural process for the Correct Way Party, SODEP [Social Democratic Party] and the Prosperity Party to be formed and gain strength over time. What is not natural is their becoming this strong. Of course, a great deal of the blame for this lies with the leadership of the parties in parliament. I say this underscoring the word blame, because the one thing for which Turkey had an essential need after 6 November, a first-degree requirement, was normalization, stabilization and prevention insofar as possible of extraordinary or emergency initiatives.

The speed with which everything normalized would facilitate to that extent Turkey's ability to solve its problems in routine bodies through routine procedures. I, personally, believe that if the parties in parliament and especially the Populist Party were to overcome their leadership problems, we would be significantly farther down the road toward normalization of the regime, toward normalization of power in the TGNA [Turkish Grand National Assembly] and toward the natural state of having the parties in parliament be the stronger.

Strong Left

[Question] Is the Populist Party's problem only one of leadership?

[Answer] The Populist Party's problem, and I firmly believe this, is totally a leadership problem. One thing is not adequately recognized. This will be seen in time. The fabric of the Populist Party as a party of the democratic left, as a social democratic party, is strong. I would say candidly that the fabric of my party is much more conducive to social democracy than the fabric of SODEP, for example. Especially its people. The presence within a party of people who are well versed in spouting the rhetoric of the left or who have been engaged in politics for a long time does not determine whether it has strong, left-wing cadres. The principal determining element is whether the existing cadres of that party in fact desire social democracy, whether they desire a social democratic regime. From this angle, the cadres in the Populist Party at present incorporate a democratic left dynamism and strength far more than the other social democratic parties. However, the party cannot benefit from this dynamism, is prohibited from doing so, because of the leadership. It is not growing stronger at all. But I believe that the party base is very strong.

Democracy and PP

[Question] The Populist Party Convention is taking place soon. You may be successful at this convention in changing the present party leadership and installing cadres in the party leadership who share your views. What are you thinking about doing that the PP has not done to date?

[Answer] There is so much -- let me say that candidly. The Populist Party has not at all performed its duty to date as regards democratization. In saying the Populist Party, I am referring to the whole, but it has not done so because of the leadership. Let's say there is a period of transition and the name given to that period of transition is transition to democracy. In that case, democracy will be restored, but it will be a process. So, who will be restoring democracy? At the moment, we see an ANAP [Motherland Party] administration. Much less any effort by this party toward restoring democracy, there is an atmosphere of sweeping away the last vestiges of democracy.

[Question] Could you give some concrete examples? In which areas do you feel the need for restoring democracy? Should we begin with the constitution?

[Answer] I would say the constitution, yes. But I would like to say this first. Our colleagues are doing a review. There is a series of elements sprinkled through many of the laws that are antidemocratic, anti-participatory and intended to ensure government by monopoly. It is wrong as democratic leftists to make an issue only of the constitution or the Higher Education Council law. A serious democratic review is therefore needed and our friends are working on it. Let us take parliamentary oversight for example. All of the TGNA's oversight powers are being usurped, opening the way to use of the state budget by certain specific forces alone, without TGNA oversight. We, therefore, need a very serious review.

As for the constitution problem, let me say candidly that this constitution is not impartial toward democratic-right thought and democratic-left thought. It is impossible within the limits drawn by this constitution for social democrats to become influential in society and compete under equal conditions with the democratic right. It is necessary for this reason that all social democrats strive to get rid of this inequity in the constitution.

[27 Jun 85 p 67]

[Second part of interview with PP chairman candidate Prof Dr Aydin Guven Gurkan by Fusun Ozbilgen; date, place not given]

[Text] With 2 days to go before the Populist Party [PP] Grand Congress, candidate for general chairman, Professor Dr Aydin Guven Gurkan, says that democratization of Turkey and stabilizing the regime are duties belonging to the PP and all social democrats. The second part of our interview with Gurkan follows:

[Question] A problem still on the agenda nowadays is the restrictions on former politicians. Might you have some thoughts and initiatives on lifting these restrictions?

[Answer] I think the restrictions on the rights of former politicians, especially restriction of their freedom of expression, are a very bitter pill for those people to swallow. Regardless of the sector they come from, they are people who have struggled for the well-being of the Turkish people. Their ability to engage in politics may have been prevented by certain powers under the present circumstances, but the restrictions, especially of their freedom of expression and thought, is very bad.

[Question] The leaders of the opposition parties in parliament are complaining that the ANAP [Motherland party] got its laws passed by depending on its majority. In your opinion, is the opposition's job limited to objecting to what it does not like about the bills introduced by the administration?

[Answer] It is nonsense to make judgments based on a headcount, and the people who do this are the ones who do not understand what democracy is all about. The administration always has a higher head count than the opposition and this is natural. It would be possible to have a strong opposition in parliament if the administration were not equipped with unlimited authority and were not allowed to do anything it wanted. For this reason, it is just as important to have a major opposition party as a party in power. The major opposition's job is to decode what the administration does; to expose its true face, its weaknesses and shortcomings to the strata of society. In this way, also, is the major opposition made strong. Which means that a major opposition that has not become strong is not doing its job. For example, the ANAP introduces antidemocratic laws. If I could go around shouting to make society understand that these laws were antidemocratic, if I could

get together with society and mount a broad-based opposition, the party in power would pay a political price for these antidemocratic laws. It would suffer a loss of power. Although its head count is greater, it would be unable to do all that it planned. Even if only one party is in power, my guess is that it would be involved in compromises and coalitions in all but name.

[Question] When we look at parliament's endeavors from the time it was seated until the present, we see that ANAP always does what it wants and that the opposition can do nothing to form policies to counter what it does. Therefore, the opposition has lost power, not ANAP. What do you think?

PP Weaknesses

[Answer] That is true. There is an anomaly here. The weaknesses imposed upon the Populist Party by this anomaly are, in a way, damage inflicted upon democracy. The situation in which the PP finds itself today is not something that affects only the PP, and society's loss of confidence in parliament and the political parties and leaders will bring with it in the end a crisis of democracy worse than any crisis in parliament. Therefore, the PP convention is important in more than just A's leaving and B's coming in. It is important in that democracy will again be allowed to take a deep breath, can regain respectability, can again direct the public's expectations to parliament and can again bring the major opposition to the state of an effective force. The leftist forces and bodies whose beliefs I respect are thinking today, "Nothing can happen in the PP. Let's support SODEP [Social Democracy Party] or let's support the DLP [Democratic Left Party]." I have no objection to this, but neither of them will bring a solution to the problem. Every social democrat has the responsibility to help the PP along in taking control of its functions, on condition and provided that they remain true to their personal preference. Otherwise, we will have a society that has lost the democratic ideal in which neither you, nor I, nor SODEP nor the Democratic Left Party will have the opportunity or right to live. I am, therefore, issuing the call in very clear terms. This problem is not just a PP problem. We as the left have a duty to allow democracy to breathe freely again and become stabilized.

[Question] In making such a call to all democratic forces on the left, how can you expect these organizations and individuals to trust you?

[Answer] I am not claiming that we deserve this support. This call is perhaps not an appropriate one for the moment, but for after the convention. We seem to be making our self-criticism.

Unification

[Question] In conjunction with these thoughts of yours aimed at embracing the aspirations of social democrats, what do you think about uniting with the other social democratic parties.

[Answer] Talk of unity-integration on the left is on everyone's lips. It has become the hottest thing at our congresses. I do not believe much of it is sincere. No matter how much I hear about the unity and integrity of the left, I

believe it would be very difficult and would happen only after overcoming a great deal of prejudice. I do not believe the left can be integrated the way they think by a process of simple addition by raising our hands at the PP convention and saying, "Let's merge with SODEP." It would not ensure the unity and integrity of social democrats for the PP and SODEP to merge, and would perhaps even reinforce and exaggerate the distance between them.

[Question] I agree with you that unification on the left would be rather hard. Would you explain the reasons for this difficulty?

[Answer] Here is what I think they were hoping to establish with the 6 November elections: two large right-wing parties and one weak left-wing party. In fact, permission was given to two right-wing parties for 6 November and to one left-wing party, and at that to people who it was known would keep it weak. The regime was designed: two right-wing parties at the heart of Turkey's political future thenceforward and a fragmented left. Several leftist parties and a discredited leftist trend were needed because we were going to experience a painful process integrating the Turkish economy with the world economy.

[Question] Meaning...

[Answer] It does not mean a simple addition problem. The existing addends of the sum will not cease to be. No one is going to say, "Here is the house and here is the roof." The distinctions will continue. So this is the hard part. The distinctions on the left will not end with the merger of the PP and SODEP, I want to explain that. What we will do is this: We are the only group on the left that is not "cursing" -- in quotes -- each other. My criticisms of SODEP's people are extremely objective. Perhaps it would be the same for a future Democratic Left Party.

Trouble with SODEP

[Question] You are known to be closer to the DLP. Would you explain this?

[Answer] The situation is this. SODEP and the PP have been in elections twice. In the local elections and on 6 November. SODEP was not in the 6 November elections, but was a factor in the campaigning and used its influence in a different direction. It created a crisis stemming from the race between these bases. There has been no electoral race between the Democratic Left Party and the PP. Therefore, there is automatically a question of closeness. The ones who would merge are not the three to five people at the top, but the rank and file. I am saying candidly that we need to let the SODEP-PP merger question rest a little. I say this in response to a reality based on my impressions at the congresses. I am not saying it in the sense that they should not merge, but the wounds of these contests will not be easily healed. The DLP is not yet a registered party. We do not exclude them because we think it would be easier to merge with them. We are not saying anything bad about SODEP, either, but if we want to go straight to a solution, we have to take the first one that is the easiest.

[Question] What do you think about early elections? Would early elections be useful in extracting parliament from its present crisis?

[Answer] If we could get through the period between now and elections without resorting to solutions that are so out of the ordinary, we will have accomplished a healthy development. The distress is on the part of the Populist Party anyway. If the PP were doing its job, such an emergency solution would not be necessary. Why emergency, because the left has not got itself together and settled on the foundation. Developments on the right have not come to a halt. The leaders acceptable to society have not been specified, society has not been apprised of programs. The differences are not clear. There is no sense in putting the Turkish electorate through the same uncertainty that existed on 6 November a year later. We are in a formative process, let this process complete itself first.

[Question] In saying this, I think your point of departure is that the PP should put its own house in order. If the PP leadership cannot accomplish this house-cleaning at the convention and continues with its present leadership, will that make early elections necessary?

[Answer] In that eventuality, early elections would gain strength and be placed on the agenda. It could not be prevented. However, if such a need for early elections does come to the agenda, it would not happen under conditions that would make possible a healthy political preference. To tell the truth, it is impossible to consider it beneficial to social democracy for a party like SODEP, which believes it has a monopoly on social democracy, to force an early election before the social democrats' problems are solved.

[Question] Might it not be true that the SODEP wants to take over this job and enter parliament because the PP has been unable to be a force in parliament?

[Answer] We are not doing our job, granted. "We will improve," we say, "We are working on it." Is SODEP able to perform the local opposition adequately? Is it able to make its voice heard effectively in the opposition in the local administrations? That is, I am saying the problem is a whole. No matter how powerless we are in parliament, we are equally as powerless in the local administrations where SODEP is predominant. All the partisanship and irregularities are in the local administrations, and, where we cannot perform the opposition in parliament, can they do it in local administration? The problem is a whole in that case.

[Question] I would like to ask a final question. If you should win the Populist Party leadership at the upcoming convention, could you influence widespread public opinion on the issues society feels important at the moment and introduce these policies under the assembly roof?

[Answer] Yes, the banner of the constitution, the banner of union freedoms, the Higher Education Council banner, the banner of protecting our citizens and our people from mistreatment, all these are the ones we will wave.

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POLITICAL

TURKEY

CHAIRMAN NECDET CALP DISCUSSES CONVENTION

Istanbul CUMHURIYET in Turkish 26 Jun 85 p 6

[Text] Ankara (CUMHURIYET BUREAU) - Populist Party General Chairman Necdet Calp said that they were trying to have a number of restrictions lifted for the purpose of ensuring that the convention, to be held 29-30 June, could take place in a more democratic atmosphere than anticipated. To explain this further, Calp said, "That is, we are striving to have no obstacle to the chairmanship remain before anyone. It is our desire that anyone who wishes to do so be able to list his candidacy for the office of chairman." Asked whether he meant Aydin Guven Gurkan by these remarks, Necdet Calp replied:

"Yes, I mean Gurkan. You know that disciplinary punishments were imposed on several of our colleagues. To get these lifted, they must appeal to the Central Decision-Making and Administrative Council under article 80 of our bylaws. This appeal has not yet been made. Our attorneys are seeking ways to have the punishments lifted without making this appeal, but have found nothing so far. I do not want anyone to think that someone could have been elected if we had not presented obstacles."

Populist Party General Chairman Necdet Calp also said that under the Political Parties Law it was impossible for these punishments to be lifted at the convention and that a bylaw amendment would be necessary for that. He said they would not have recourse to this route as the convention was only 2 days away. "We are considering a separate bylaw convention at the end of the year or early next year," Calp said.

The PP general chairman stressed that, like every candidate, he hoped to win at the convention and was going into it with that intention, but said that if he lost he would work in the party like a regular member. Calp noted that there would be two or three slates and, when asked how being the incumbent would affect his chances at the convention, he replied:

"Our chances are the same as an administration going into general elections. There are advantages as well as disadvantages to being in office."

Referring to the survey conducted by our newspaper's correspondents among PP provincial chairmen, PP General Chairman Necdet Calp said, "If these results are correct, it seems we have already lost." As to the rumors that 15 provincial chairmen and 30 national deputies would resign if Gurkan does not win, he said, "There is no such question as far as I know, but if there are those who join a party for position only, then we do not need them." Asked whether they had given monetary assistance to some provincial organizations, Calp answered:

"Monetary assistance is a method that those who are making this claim used when they were in office. They will see when the books are checked that no such thing happened."

PP General Chairman Necdet Calp said that the question of merging with SODEP was on the second day's agenda under the heading "Unity, Integration of All Social Democrats" and that party headquarters looked at it not just as a merger with SODEP, but within the framework of the unity of all social democrats. Noting that the SODEP proposal for merger would be discussed and the necessary action taken for a convention resolution the second day, Calp said he could not speak for the organization at present, adding:

"Any guesses made today could change instantaneously at the convention. We have faith in and respect the common sense of all the delegates. They will certainly do the best thing."

The activity report to be presented at the convention will review the stages the PP has been through since its founding, the troubles and problems it has experienced and how they were solved, evaluations of general and local election results, income and expenditure accounts and criticisms of the administration's mistakes, according to information provided by Necdet Calp.

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POLITICAL

TURKEY

PREPARATIONS FOR POPULIST PARTY CONVENTION

Istanbul CUMHURIYET in Turkish 26 Jun 85 p 6

[Text] Ankara (CUMHURIYET BUREAU) - With 3 days to go until the first grand congress of the Populist Party [PP], lobbying of the delegates has stepped up, as well as criticisms by the general chairman candidates of each other. PP General Chairman Necdet Calp said that Aydin Guven Gurkan, leader of the democratic left group, would have to appeal for "amnesty," while Gurkan said, "There is no question of my making any kind of request from an administration that has plunged Turkish political life into such darkness."

Calp declared in an announcement day before yesterday that the democratic left had gone as far as communism and said of the convention, "We can't possibly lose," while Gurkan said yesterday, "I am sure of the convention." Gurkan asserted that delegates from 39 provinces support the democratic left group and the votes of 13 provincial delegates are undecided. Aydin Guven Gurkan said about Calp's view of the democratic left, "In the past, 43 percent of the people have voted for the democratic left program. This is an insult to our people. It is irresponsible to give descriptions that our people do not deserve."

Necdet Calp removed Sivas Provincial Chairman Bekir Kuzu, whom he has sued for libel, from his post, according to an ANKA [ANKARA AGENCY] report. Calp's 5-million lira suit against Bekir Kuzu and this newspaper is now in progress.

Council President

Zonguldak National Deputy Cahit Karakas of the headquarters staff is expected to run for Council president at the grand congress. The democratic left group will designate their candidate to run against Karakas tomorrow.

The working report prepared by General Secretary Yilmaz Hasturk has been sent to the printer. The 60-page report criticizes the government, especially its economic policy. "Cost inflation has gradually become a clinical disease. Not one thing is being done today in the name of investment," it reads.

Chairmanship Election

There is talk in circles close to the PP about introducing a motion to have the general chairmanship election, which is supposed to be held on the second day, moved to the first day. Calp and Gurkan are said not to oppose this idea. As

known, the Social Democratic Party, the Motherland Party and the Correct Way Party, which have already held their conventions, all held general chairmanship elections on the first day.

CDAC Slates

The Calp team has begun work on its Central Decision-Making and Administrative Council [CDAC] slate, it was learned. According to a NATIONAL PRESS AGENCY report, two-thirds of Calp's list will consist of national deputies and the rest will be designated by convention day following meetings with provincial chairmen tomorrow.

Aydin Guven Gurkan, in reference to rumors that names from the democratic left group would appear on Calp's list, said there was no basis for this and that the parliamentarians from the democratic left group would definitely not accept positions in a party headed by Calp. "None of our colleagues would offer support to artificially prop up Necdet Calp. This is a team question. A candidate for the general chairmanship cannot be kept on his feet by artificial support," Gurkan said. In a statement to ANKA when he was asked whether he would resign if he lost, Gurkan said, "The loser will shake the winner's hand."

New Headquarters

The democratic left group is moving to a new location today for its convention "headquarters." The democratic left group will be working out of 20 rooms it has reserved at the Ertan Hotel [as published; another report says Ergen Hotel] on Karanfil Street until the end of the convention.

Lobbying will be intense also at the Turist, Hitit and Mis hotels, where rooms have been reserved for delegates.

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POLITICAL

TURKEY

RESIGNATION THREATS IN POPULIST PARTY

Istanbul CUMHURIYET in Turkish 28 Jun 85 p 6

[Text] Ankara (CUMHURIYET BUREAU) - Provincial chairmen arriving in Ankara for the PP [Populist Party] grand congress that begins tomorrow have started circulating their convention declarations. Seventeen provincial chairmen attending the convention announced that they will resign en masse from the PP if the PP leadership does not change and Necdet Calp remains general chairman.

With one day to go before the convention, campaigning activity continues to intensify. The PP general chairman and his team are using the headquarters building as their base, while the democratic left group moved to the Ergen Hotel [as published] in Kizilay.

Malatya Provincial Chairman attorney Bedri Timur said in a declaration published on behalf of 17 provinces that they believed the democratic left group in the PP would achieve unity of the left, that the convention was the last chance for the PP. He said:

"We as the provincial chairmen of Malatya, Gaziantep, Urfa, Bitlis, Adana, Tunceli, Kars, Denizli, Antalya, Burdur, Isparta, Manisa, Izmir, Samsun, Kutahya and Hakkari are giving notice that we will resign en masse as an organization, no longer remaining in the PP, if the democratic left group is not elected to leadership and if the old administration and General Chairman Calp are reelected."

PP General Chairman Calp's comment that "the democratic left goes as far as communism" is heavily criticized in the declaration. The PP general chairman and general secretary are accused of "trying to use sleight of hand as a final resort in the convention." The decision not to invite Bulent Ecevit to the convention is denounced also. The bulletin reads: "He has been the leader of social democracy for many years, and the decision adopted in connection with former prime minister Mr Ecevit is not our decision as democratic leftists and true PP members. We do not look upon them as either PP members or social democrats. These problems and people will be overcome at the convention. Since PP General Secretary Yilmaz Hasturk has said, 'We will resign from the PP if we do not elect at least 60 members of parliament,' we wish to point out that this would make us extremely happy."

As declarations by provincial chairmen continued appearing yesterday, the Eskisehir provincial chairman who had announced earlier that he would support Necdet Calp said in his published declaration, "The rank and file wants Gurkan. For this reason, we will support the democratic left group." The Bursa provincial organization had announced that it would not take sides between the two groups, but reported at a meeting it held day before yesterday that it would act in unison with Aydin Guven Gurkan.

The Ankara delegates, meeting night before last, were unable to reach a decision. Twenty delegates went for Gurkan and 24 for Calp. The 24 delegates supporting Calp sent to the PP general chairman a request that 5 Ankara people be placed on the Central Decision-Making and Administrative Council list and said they would withdraw their support if their 5 colleagues were not included in the administration.

Meanwhile, former Deputy General Chairman Engin Aydin, PP charter member who was pensioned off, said in a statement to CUMHURIYET, "Mr Calp is in charge of dismantling the integrity of the left. I had proposed the general chairmanship to him. We had said in our discussion that he would resign after 6 November, because he was made general chairman in order to help overcome the veto obstacle. He is not stepping down despite this promise. We sincerely hope this problem is resolved at our next congress."

Dr Turhan Temucin, a PP charter member who is in litigation with Calp over his book "Parti mi Marti mi?" said he hoped Calp would not be reelected. "If Calp is re-elected general chairman, the political life of the PP will be all over," he said.

The headquarters group and the democratic leftists, meanwhile, are conducting surveys, trying to gauge their chances at the PP grand congress, which will be attended by 825 delegates, according to an ANKARA AGENCY report. Calp's survey of 46 provinces showed 355 pro-headquarters votes out of 616 delegates. Gurkan's poll of 698 delegates from 56 provinces gave 434 votes to the democratic left group. The democratic left group's survey also showed 234 delegates undecided. A survey of 113 national deputies of the headquarters staff and the democratic left group showed 48 deputies in favor of headquarters, 38 in favor of the democratic left group and 26 undecided.

Calp Comments

PP General Chairman Calp told the ANATOLIAN AGENCY yesterday that if the democratic left group's leader Aydin Gurkan and his friends introduced a motion for a bylaw amendment to allow them to run for office at the upcoming first grand congress he would vote in favor of it.

Necdet Calp pointed out that the disciplining of Aydin Guven Gurkan and his friends had nothing to do with the elections and said, "It was not known at that time that they would run. Aren't those who commit offenses supposed to go before the Disciplinary Board?"

Noting that the term democratic left covered a broad spectrum of ideas, PP General Chairman Calp said, in assessing Aydin Guven Gurkan's political views:

"I have not yet been able to discern where on the democratic left Aydin Guven Gurkan is. He has not yet found his place, it seems. His thought is not sound, and he does not know the philosophy of the left."

Bylaw, Platform Convention

Announcing that, if they are reelected, they intend to hold a bylaw and platform convention in the first 6 months of next year, Calp said that at this convention a bylaw amendment would be made calling for lifting of the restrictions in the Political Parties Law and the party program would be reviewed and updated.

As regards Aydin Guven Gurkan's assessment of the existing party bylaws as anti-participatory and antidemocratic, Calp said, "He held office for 7 months, he was general secretary. Why didn't he place these things he is saying on the agenda at that time? He did not ask to change them. This being the case, he should be democratic himself."

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POLITICAL

TURKEY

POPULIST PARTY CAMPAIGNING INTENSE ON CONVENTION EVE

Challenger Gurkan: Convention Is Test of Democracy

Istanbul CUMHURIYET in Turkish 28 Jun 85 p 6

[Text] Ankara (CUMHURIYET BUREAU) - Thirty national deputies from the democratic left group which is challenging the present leadership of the PP [Populist Party] held a press conference yesterday. Group leader and general chairman candidate at tomorrow's congress Aydin Guven Gurkan said, in response to Prime Minister Turgut Ozal's comment that "Calp will win again," "If I were head of the ruling party and the government, I would want to see Calp at the head of the major opposition party, too."

Speaking at yesterday's 1100 press conference attended by 30 deputies belonging to the democratic left group, general chairman candidate Aydin Guven Gurkan said the struggle had never been simply an internal party power struggle.

Gurkan said their starting point was the inability to prevent parliament's and democracy's loss of viability and respect if the PP could not quickly regain the support of the general public. Gurkan pointed out that an opposition not backed up by the general public would not be effective and, in that case, parliament and democracy also would lose their viability. He said this is what they were worried about. Noting that Turkey had experienced the greatest social and economic transformation since the founding of the Republic, Gurkan said, "Turkey is restructuring world capitalism to suit its own preferences and needs. Dissent and resistance by our broad popular masses whose interests fall counter to the interests of world capitalism are being made very difficult." He continued:

"If we are elected, we will seek partnership and conciliation with other social democratic forces, we will prevail upon the other forces to compromise. The present leadership of the PP is not seriously involved, either in action or principle, in unity on the left."

Gurkan averred that they were pleased in a way to be going into the convention deprived of their rights to demand administrative positions, because it had been made possible in this way for the convention and the delegates to pass a serious test as regards their commitment to democracy.

In response to Prime Minister Ozal's comment that "Mr Calp will be reelected in the Populist Party" in a conversation with reporters on the last day of the holiday, Aydin Gurkan replied:

"If I were the head of the ruling party and the government as Mr Ozal is, I too would want Calp at the head of the major opposition."

Asked whether he would be replaced by another candidate for general chairman if the bylaw amendment did not pass, he replied, "We have not even considered such a thing as we believe the punishment will be lifted." In answer to another question, he said, "I shall propose to Mr Calp and his colleagues that they rely upon the free will of the distinguished delegates of our convention rather than the state prosecutor."

Incumbent Secretary Hasturk: Candidacy Must Be Legal

Istanbul CUMHURIYET in Turkish 28 Jun 85 p 6

[Text] Ankara (CUMHURIYET BUREAU) - With one day to go before the PP's first grand congress, the general headquarters and Gurkan groups continue their mutual accusations. PP General Secretary Yilmaz Hasturk said at a press conference yesterday that the question of candidacy would be assessed at the convention within the framework of the law and the bylaws. Hasturk pointed out that he did not think the democratic left group had a chance and said, "I will fight to the end those who place a different interpretation on the PP's program and principles. If they are elected to the leadership, I shall work to have them ousted."

Hasturk recalled that Aydin Gurkan's referral to the Disciplinary Board was a legal procedure and that the matter had gone to court. He said:

"Prosecution was found necessary in their case and a legal assessment was made. There has been no result as yet. This is a matter having to do with immunity."

The Gurkan group has said that they interpret the six principles differently, but so far they have not explained their interpretations, asserted the PP general secretary. He continued:

"If the PP is to be run by a cadre that will introduce interpretations beyond the existing bylaws, if the general outlook and strategy of the PP are to change within these interpretations, if new dimensions are to emerge, I will not join in these dimensions or these evaluations. I shall engage in democratic struggle against these interpretations. If I do not succeed and they change the program and general principles, a new world will be formed and Hasturk will find his place there. They are not being specific about what they do not like. If all they are saying is, 'You get out and let us come in,' the public will be the judge. I do not believe cadres which see the PP's program and principles differently will win."

Hasturk pointed out that PP General Chairman Needet Calp had been renominated for general chairman and that it was natural for him to choose the cadre with which he would be working. He said in answer to a question that Calp had established dialogues and set trends for discussion of staff candidates.

Noting at the press conference that the PP standard waves over every corner of the country today and that the climate in which Turkey finds itself presents an extremely dark picture, Hasturk said:

"The economic policy applied by the Motherland administration has made life unbearable. The low-income groups are being crushed under the high cost of living. The spread of poverty is legitimizing illegal earnings."

Stressing that social democracy was the alternative to this policy, Hasturk said, "One by one the obstacles will be eliminated to a social democratic administration. Heading these obstacles is the present fragmented status of social democrats. As soon as this fragmentation is ended and unity ensured, victory will be very near."

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MILITARY

EUROPEAN AFFAIRS

SENIOR NATO AIR OFFICER URGES 'AGGRESSIVE' TACTICAL DOCTRINE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 Jul 85 p 4

[Article by Siegfried Thielbeer: "Air Marshall Hine: Airspace Must Also Be Defended Offensively. The West's Modern Weapon Systems/Favorable Situation/'The First Days Would Be Decisive'"]

[Text] The Second Allied Tactical Air Force, whose commander, Air Marshall Sir Patrick Hine, is now returning to London, is responsible for the protection of the airspace over Belgium, the Netherlands, and the northern half of the FRG. In case of war it must also support the troops of Army Group North. Both commanders are British, under whom German and American units also serve. In the last few years the cooperation of the ground and air forces has improved significantly. The degree of deterrence is dependent upon their preparedness. As Air Marhsall Hine now leaves this post, he can certainly look back on a successful tour of duty. Just last year the British convincingly proved for the first time how fast they could reinforce their armed forces in northern Germany through the air, also.

For Hine, reinforcing the conventional armed forces also means raising the nuclear threshold. General Rogers' "fofa" strategy, which calls for engagement of the secondary echelons of the Warsaw Pact, is consistent with previous NATO strategy. The debate is over something that only appears to be new. The military actually has always wanted to split up the enemy as much as possible in segments, in order to hinder reinforcement and resupply, or at least to disrupt or delay force concentration. "That had not previously been called 'fofa,' but 'interdiction,' and that has been around for hundred of years." Air Marshall Hine points out that striking the lines of communications in the rear areas is the classic mission of the air force. Hine is skeptical in debate on whether rockets or cruise missiles could be used instead of aircraft. The airplane is still the most flexible instrument which provides a quick concentration of forces.

Great progress has been made in the interoperability of the national air forces. The coordination with the ground forces--"and any conflict today would be an air-land battle"--has also been considerably improved. Much remains to be done to achieve timely reconnaissance, which new technologies have made possible. Coordination and time optimization are of decisive significance. Hine demonstrates this with an example: "If we are able to

destroy a bridge, not just at any time but at the exact moment it is to be crossed by enemy troops, we not only disrupt the rigid deployment schedule, but also stall the armored convoys. They can now be much more effectively engaged, even with the old "iron bombs," then when they are dispersed, in protected assembly areas." Modern electronic reconnaissance and guidance systems contribute to such an optimization of deployment and multiply the effect.

The growth in the Soviet Air Force offensive potential is causing concern; the range and weapons load capacity are considerably higher than before. The NATO military airfields could be among their most important targets. If a conflict begins, NATO's primary mission would therefore be air defense. The introduction of "Patriot" and "Roland" rockets in addition to the "Rapier" and "Hawk" have made a distinct improvement. In order to survive the first wave of attack by an enemy air force, it is important to protect one's own aircraft with bunkers or by spreading out the aircraft on alternate airfields. Repair shops and flight control installations also need to be protected in bunkers. Hine said that they have taken great pains to implement passive protective measures. Buildings, installations, and runways are painted in camouflage colors. Parallel runways have been laid out and engineering supplies have been acquired to facilitate quick repair of runway craters.

The air force cannot accomplish its mission purely defensively, says Air Marshall Hine. If the home populace and infrastructure are to be protected and the rear troops are to be kept free from enemy fliers, the initiative must be taken as soon as possible, particularly given the more than two-to-one numerical superiority of the enemy. One must also offensively attack the enemy airfields. It isn't so important to shoot down or destroy enemy aircraft as it is to hinder their deployment, and thereby significantly reduce the number of take-offs.

It is here that the West, as a defensive alliance, is at a disadvantage. Preventive measures are not possible, so it must not only survive the first wave of enemy attack, but then also render enemy use of its airfields impossible. "The first days of a war could be decisive. It depends on being able to protect your airfields better and repair them more quickly than the enemy can." The air marshal is satisfied with the modern equipment of the NATO air forces. The British are now receiving the Tornado in large quantities, which will replace the Buccaneer in carrying out deep-penetration missions. Offensive capability has been considerably improved with the advent of the Tornado: now the capability finally exists to strike distant targets at any time of day or night in any weather, with high speed and in low-level flight, to bomb bridges, airfields and troop movements with large payloads and with extreme accuracy. The Dutch and Belgians now have - as do the Americans - the multipurpose fighter aircraft F-16 with a likewise extremely long range. The American combat aircraft A-10 and the British VTOL "Harrier" are outstanding defense systems against the great number of Soviet tanks. The American F-15 fighter and the British special version of the Tornado greatly reinforce the air defense components and, in conjunction with AWACS early warning system, offer considerable protection against surprise attack.

Not only the aircraft with their modern radar (also suited for use against enemy low-flying aircraft), but also the West's weapon systems are very effective. Hine points to the laser-guided precision bombs in the American and British arsenals, and to the modern bomblets and fragment bombs, with which armored formations, artillery, radar and missile sites can be very effectively combatted. The modern anti-radar missiles carried by the Tornado, the American "Harm" and the new British "Alarm," are particularly effective against radar installations. There is only one defense against them: turning off the radar, which breaks the enemy air defense system. The German MW-1 and the British JP-233 were especially developed for the Tornado for attacking armored formations and airfields. Just a few Tornados are sufficient to effectively block off enemy airfields. Initially there were a few of these special weapons, but Hine is confident: the refined bombs are finally in stock.

The USSR takes the Western air forces' threat to its tank armies very seriously, as demonstrated by their enormous efforts in air defense. A large number of the Soviet missile units and fighter pilots are very concentrated and cannot be used effectively against the West. Of course, that makes it difficult for the West, too, to penetrate enemy airspace and engage heavily defended targets. Therefore, the radar- and missile sites have to be avoided by flying as low as possible. Hine is confident that the West is in the position to "suppress the air defenses" with modern electronics, even though he doesn't hesitate to say that the number of electronic fighter aircraft such as the American "Wild Weasel" should be greater.

The East will have to concentrate the majority of its air defense in the main axis of attack. The Western fighter-bombers can then make breaches in the more weakly defended zones ("Even the East Block is not so strong that it can secure everything to the same degree") and disrupt communications in rear areas and attack "soft" targets such as supply convoys. The large number of tanks and cannons will soon be ineffectively stuck in their tracks without resupply.

13071

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MILITARY

FEDERAL REPUBLIC OF GERMANY

NATO, NATIONAL CONCEPTS FOR 1990's FRIGATE REPLACEMENTS

Herford MARINE FORUM in German Jun 85 pp 204-206

[Article by Comm Peter Hausmann, Naval Operations Staff: "NFR 90/F 124 in the Concept Phase"]

[Text] Summary of the Activities to Date

For the threat to NATO, drastic changes are looming for the coming decades. The in part obsolete fleets of several NATO nations will then no longer be up to the future threat. Accordingly, there has been some thought given within the alliance about how through joint action one could cover the requirement for up-to-date ships to replace the obsolete vessels. Aspects such as standardization and cost savings in the concept, definition, development and construction phases as well as in logistical support were decisive in the joint considerations. Eight NATO nations came together for the joint project. They are the United States, Canada, Great Britain, France, Spain, Italy, the Netherlands and the FRG. A preliminary investigation has shown that a vessel the size of a frigate with integrated onboard helicopters would meet the requirements of the eight NATO nations. With the decision to enter into the feasibility phase (equivalent to our concept phase), the project NFR 90 [NATO Frigate Replacement] was called into being.

To develop a feasibility or concept study, an official international agency was established in the form of the Project Management Office (PMO) in Hamburg. As instructed by a Steering Committee (SC NFR 90) and an Assisting Steering Committee (ASC NFR 90), the PMO monitors and manages the work on the study. The study is being prepared by the "Internationale Schiffs-Studiengesellschaft mbH" (ISS) with headquarters in Hamburg on the contractual basis of a memorandum of understanding (MOU) of the eight participating nations. The ISS is an organization in which the industries of all of the participating nations are represented.

Parallel to the preparation of the feasibility study, the FRG is carrying out concept studies in its own area for the national project F-124 corresponding to a NFR 90. However, it is the firm intention of the FRG to link the development process of the F-124 as closely as possible with that of the NFR 90.

Feasibility Study

The preparation of the feasibility study has been under way at the PMO and ISS since the implementation of the MOU in April 1984. The goal of the study is to develop a detailed base design of a frigate. This base design as the "baseline ship" and its different versions, so-called "trade-offs," are to form a concept that can serve as a flexible basis acceptable for all for a joint definition phase.

Interim Results

At the end of January 1985, the first phase of the feasibility study was concluded with the distribution of an interim report in several volumes called a "single option folio" (SOF) in NATO terminology. All participating nations were thereby given the opportunity to influence the further preparation of the study without, however, exceeding the time and cost limits of the study as agreed upon in the MOU.

The core of the SOF is the base design of the NFR 90 (baseline ship). It is intended mainly for antisubmarine tasks. This corresponds to the requirements of most of the participating nations. Twenty four trade-offs consider various tentative concepts of the individual participating nations on payload and platform. All trade-offs foresee onboard helicopters with hangars.

Without displacing the main task of antisubmarine operations, the "trade-off versions" offer deviations in the payload. Through variations in the equipment, the main task and the secondary tasks of air defense and engagement of sea targets are emphasized to different degrees in task implementation. Further variations--in the drive components, for example--along with those in the payload produce ships of varying size, sailing performance, endurance, combat capability, and construction and operating costs.

In examining the base design and its variants, it can be seen that the platform and its components correspond almost completely to today's level of technology. In broad areas of payload and in the area of command, control and communications (C³), it is to be expected that in part considerable efforts are still required before these components with an orientation to the technology of the future are ready for introduction and are available for installation on board. This means risks in regard to deadlines and costs, especially for the nations that have planned an early delivery of the NFR 90.

National Activities

Because of approaching deadlines for ASC and SC conferences, the SOF was evaluated in just under 2 weeks in February 1985. The technical departments of the General Navy Office under the leadership of the system officer and the technical working groups of the project officer in the BWB were involved in the evaluation. A joint evaluation took place in the working group of the system representative. The results of the concept investigations for the F-124 were helpful here. The national preliminary designs differ from those of the SOF primarily in the orientation toward air defense, the main task of the F-124.

In the national concept investigations, it was possible to refer to a large extent to the experiences of the project F-122.

From the evaluation of the SOF, a German position was worked out on the base design of the NFR 90 as a contribution and requirement at the level of the Steering Committee for the further development of the feasibility study. Air defense, the main task of the F-124, was thereby emphasized.

Multinational Activities

In mid-February 1985, the ISS presented to the PMO and the Assisting Steering Committee in Hamburg the interim results of the feasibility study in the form of the SOF. During the ASC conference, together with the PMO, problem areas in the SOF were identified that require a decision at the SC level. At the end of February, the ISS received from the SC and ASC by way of the PMO assignments for the further development of the feasibility study.

The assignments were limited not only to further investigations in areas such as platform, payload, C³, logistics and costs, but also included investigations in the possibilities for continuing the international cooperation. To be investigated thereby is the important question of possible forms of agency and industry organization beyond the feasibility phase, especially for the definition phase.

Trends

As the interim result of the feasibility study, the SOF was approved by all participating nations as an expedient basis for the continuation of the work of the study.

The members of the SC unanimously indicated a clear interest in multinational cooperation in the definition phase. More detailed investigations are required in regard to the form of this cooperation and how to finance it.

With respect to NFR 90 itself,

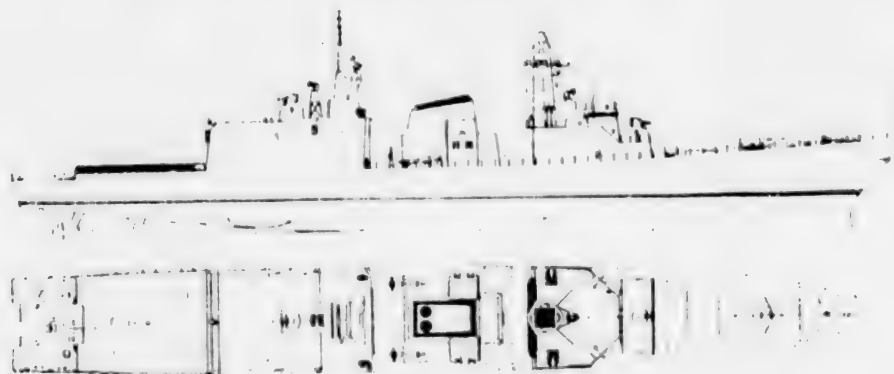
--there are, as expected, different national requirements for payload and platform,

--there are different temporal plans in regard to the need for ships (main emphasis is the late second half of the 1990's),

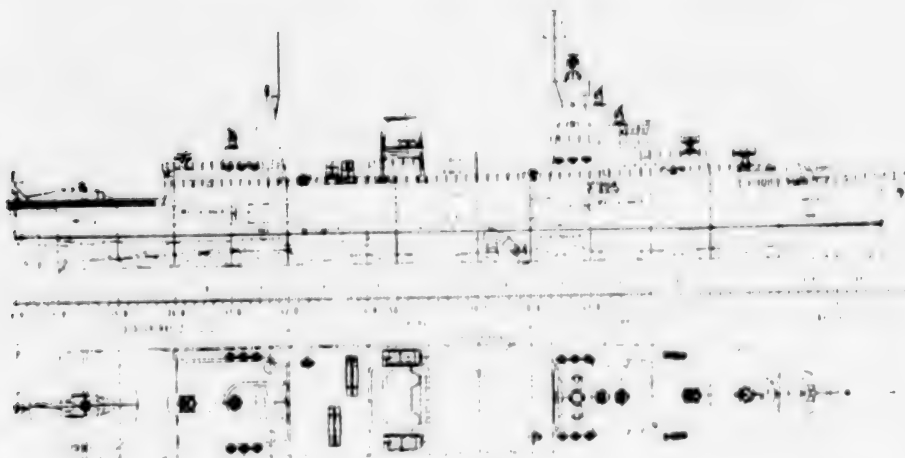
--development risks are weighted differently (depending upon the temporal requirement).

In regard to the main tasks for the NFR 90, two groups have formed among the nations. Whereas five nations continue to adhere to a frigate with antisubmarine operations as the main emphasis, three nations favored a ship focusing on air defense.

Despite different views and requirements, the overall trend indicates that all participating nations are willing to take the step of the definition phase jointly after the conclusion of the feasibility phase.



NFR 90
Multinational Preliminary Design
Main Task Antisubmarines Operation



F 124
National Preliminary Design
Main Task Air Defense

Consequences for the Project F-124

In accordance with the planning and mandates currently valid for the F-124:

--the frigates are to be delivered in the time period 1994 through 1997,

--a multipurpose frigate will be required with air defense as the main emphasis,

--a prescribed upper cost limit for construction and procurement is to be complied with,

--development risks are to be minimized.

The trends for the other participating nations could be in competition with our projects but they could also help in the common objectives of standardization and cost saving.

For our project F-124, this situation results in the following consequences internationally and nationally:

--continuation of the multinational cooperation at least until the end of the definition phase,

--investigate which components will be ready for introduction by the end of the definition phase and when they will be available for installation,

--sound out the possibilities for the joint procurement and logistical support of components with other nations,

--investigate alternatives and compromises for adapting the construction phase to that of the other alliance partners,

--investigate the possibilities for the modular type of construction, and especially in the event that interim solutions become indispensable for the payload,

--follow-up on cost trends.

At some time, it will certainly be indispensable to review the current cost framework.

Summary and Outlook

The project NFR 90/F-124 is in the concept phase. Parallel to the concept investigations for the F-124, a feasibility study is being prepared for the NFR 90. Interim results of the study were evaluated by the eight participating nations. The evaluations pointed the way for the further development of the study. The feasibility study is to be concluded with the presentation of a detailed concept for the NFR 90 in October 1985.

The participating nations represent different conceptions and requirements in regard to the ship as well as to its delivery. Among the nations, two groups have formed with respect to the main task of the frigate (antisubmarine operations and air defense). Because of competing requirements and conceptions among the participating nations, national considerations must be included for the F-124 project so as to be prepared for all eventualities of multinational cooperation. All participating nations are interested in a continuation of the multinational cooperation.

What now? The first thing is the conclusion of the feasibility study with the presentation of a detailed concept for the NFR 90.

The results of the study should also include proposals on the continuation of the multinational cooperation for the definition phase. On the basis of the study's results, the participating nations must decide:

--whether their version of the NFR 90 concept represents for them an adequate basis for the definition and

--what fall-back positions would be suitable, if the need arises, but also

--which agencies and industry organizations are available for continued joint action in the definition phase,

--how the costs are to be apportioned and not least

--in what form the current agency and industry organization is to be retained in the transition period from the feasibility phase to the definition phase.

Specifically for the near future, it can be stated that preparations are being made for a memorandum of understanding for the definition phase. It is to begin in mid-1986.

For farther into the future, one can proceed from the assumption that the participating nations will, for understandable reasons, build their frigates at their own shipyards. It is to be hoped that for the construction and utilization phases as well ways can be found for multinational cooperation that come as close as possible to the goal of standardization and cost saving.

9746

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MILITARY

FEDERAL REPUBLIC OF GERMANY

REFINEMENT OF MOBILITY CONCEPT IN DEFENSE DOCTRINE URGED

Bonn TRUPPENPRAXIS in German Jul 85 pp 340-344

[Article by Col Klaus-Peter Schoetensack: "Mobility in the Defense - Panacea or Illusion?"]

[Text] The author, commander of a home defense brigade, has frequently voiced his opinions in the past on the development of combat forces--especially the infantry--can be employed in defense, where in his opinion mobility plays a special role.

Introduction

While missiles and atomic war are being loudly discussed publicly, in the military headquarters one views with concern the growing imbalance in the convention area between the two military power blocs.

Is NATO strong enough--still strong enough--to stand up for a sufficiently long time to a conventional attack by the Warsaw Pact, without being forced to resort to nuclear escalation already at a very early stage? How can weaknesses that may arise be offset?

Innumerable analyses have been prepared on this subject at all levels. I will limit myself here to the tactical and the strategic levels of the army. Again and again, it is determined that our forces at these levels are sparse, perhaps already too sparse to be able to face up resolutely enough to the potential adversary.

In the search for remedies, mobility is frequently offered as an equalizer for numerical inferiority. I will endeavor to determine if mobility really solves our problem, or if we are all too complacently relying in this instance on an illusion.

I will examine what mobility actually is and through what means it can be achieved on the battlefield.

Mobility--the Panacea?

Whoever propagates defense from a system of positions to German officers will hardly be listened to, for he is caught up in "Maginot thinking"--preaches passivity, while anyone who extols "mobility" can in most cases count on unqualified agreement. Mobility is appropriate in every situation, is always right, shows originality, creative thinking, imagination, activity, and is the ultimate answer to all difficulties.

Why is that? Is mobility really the panacea? Or can it be that we are still subconsciously influenced by the sequence of events in the two world wars, by the rigid fronts of the first war in the west, which made clear-cut military decision impossible; by the mobile operations in the east, which led to a military success?

And in addition by the Blitzkrieg campaigns of WW II and finally the large-scale withdrawal actions, which in the final analysis were also operations of movement, or were at least intended to be this by the military leaders?

A defense in the real sense of the word, as we now plan, or will be forced, to conduct it in case of an attack, a successful checking of a thrust by the enemy against our hinterland, has not been conducted by the German army for a long time. Are we therefore "conditioned" for mobile operations?

Our preference for "mobility" is further nurtured by the positive assessment of the word also as it is generally used in the sense of mental mobility. Who wants to have it said of himself that he is not mentally mobile?

Only this type of mobility can successfully utilize its "half sister," the physical mobility, also [called] technical mobility, to the maximum extent possible.

The German army is rightfully proud of the way it availed itself of both types of mobility in WW II--in both directions, incidentally, as previously pointed out, with the greatest accomplishment perhaps being achieved in the movements to the rear.

But does mobility alone solve our problems in this day and age?

To make use of mobility, one needs room. Do we have that? I do not plan to repeat the frequently cited percentage figures for population and industry in the now familiar 100 km wide strip along the eastern border of the FRG--they are well known.

Can we really afford to give up territory for [the sake of] extensive operations deep inside the FRG? And do we have the forces needed for this purpose, as well as the absolutely essential forces that must secure the forward positions and determine the place and direction of the enemy thrust?

Here we come to a first limitation of mobility on the strategic level.

The older regulation "Troop Command" of the Bundeswehr, Army Service Regulation [AR] 100/1 (classified/FOUO), also provided for a high degree of tactical mobility in the defense. One spoke of a resilient containment of the hostile thrust and of the destruction of the enemy in the counterattack, which was even referred to as "decisive."

Originally this theory was based on the early employment of tactical nuclear weapons. After the use of nuclear weapons as super-artillery was rejected, experiences in conventional exercises of all types showed that this concept led to a rearward movement from one defense line to the other and were never strong enough for a decisive counterattack. Defense became a stubborn delaying action.

The most dangerous fallacy here, it seems to me, is the thesis often heard then and still today that mobility can replace missing forces. This was refuted not only by exercises, but in addition the history of war also shows that victories always require superiority, either in equipment or in training and command, or--when both are approximately equal--the number [of troops] plays a deciding role. Mobility alone is not capable of offsetting this.

I refer in this connection to a treatise by British Col J. R. Alford ("Mobile Defence - The Pervasive Myth," Department of War Studies, King's College, London, 1977). Herein he proves through wartime examples ranging from Tannenberg in 1914 to WW II to Korea and the Yom Kippur War how rarely tactics such as described in AR 100/1 (classified/FOUO) were employed, and that they were never able to offset a numerical inferiority with all other conditions being equal.

The old Troop Command, AR 300/1 of 1933, states in this regard: "Superior combat effectivenesses can make up for numerical inferiority. The greater the combat effectiveness, the more forcefully and with more mobility the conduct of operations can be planned."

According to this, therefore, mobility is dependent on greater combat effectiveness, one form of superiority, and cannot in itself make up for numerical inferiority.

The consequences of these findings can be seen in the present-day Troop Command, AR 100/100 (classified/FOUO), which again places greater emphasis on holding, strengthens the forces in forward positions, and attaches greater value to reinforcing the defending forces than to counterattacking, which no longer is referred to as "decisive."

In the process it does not totally renounce movements. It must now be determined to what extent and by whom these movements can be executed.

Since mobility in the defense is to be discussed here, it is appropriate to understand what the essence of defense is. For the correct comprehension of defense has a considerable influence on the topic.

No halfway intellectual preoccupation with war-related matters by German officers can do without a Clausewitz quotation.

Essence of Defense

Here is my first, taken from the first chapter of the 6th book, "Defense":

"What is the concept of defense? The repelling of a thrust. What is its characteristic, therefore? Awaiting the thrust.

And further on:

"What is the purpose of defense? To preserve [the status quo].

AR 100/100 (classified/FOUO) spells it out more precisely:

2701. "The purpose of defense is to hold a specific area against all attacks and in that way deny the enemy an advance into an area that is to be protected. The objective is to destroy as many forces of the enemy as possible in the process, in order in this way to break his attack strength. .
."

Further on:

2702. "... Preserving the coherence of the defense and holding the area to be defended continues to be essential.

The old AR 100/1 (classified/FOUO) defines repluse [Abwehr] as a type of combat essentially the way the new AR defines defense [Verteidigung]. Surprisingly, however, it contains a sentence about defense as a battle type which we do not find with the same terseness and pregnancy in the new AR on Troop Command:

"Defense means holding in every situation and at all costs" (60.)

AR 100/100 (classified/FOUO) says only:

2710. "Defense requires above all the holding of terrain . . ."

and

2711. "... Positions are to be held. . ."

2713. "Any surrender of terrain without a compelling reason is inconsistent with the essence of defense. . ."

The strongest statement yet appears in 2704:

"... (The forces) must by all means prevent the enemy from penetrating in depth through and beyond their defense area."

And here we encounter a further limitation of mobility on the tactical level.

Defense thus requires

- repelling a thrust,
- preserving [the status quo],
- standing one's ground,
- holding,
- preventing the advance of the enemy.

But how does mobility fit into this picture, how do our command regulations conceive of mobility?

AR 100/100 (classified/FOUO) states in No 1003.:

"Characteristics of combat are the rapidly changing situations, which result from the high mobility and the strong fire power of the forces as well as the capacity of the command system . . ."

Then, for the sake of clarity, also in the linguistic sense, mental mobility is designated "flexibility" in No 1010. and thus distinguished from technical mobility:

"Only through flexibility of command can rapidity, mobility and fire power of the forces be fully brought to bear. Imagination and foresighted planning, but also quick comprehension of all changes in the situation, quick reaction, resolute action--even with stopgap measures--characterize a flexible command."

Also the "Interim Operations Principles of the Service Branches of the Army" (Directive for Command and Operations 700/108 (classified/FOUO)) distinguish "flexibility of command" from "mobility of the units and organizations of combat forces" (215.)

Concerning movements we find the following in No 1028. of Ar 100/100 (classified/FOUO)

". . .On the battlefield, movements are primarily intended to bring the forces, consistent with their special character, into a situation in which they will be superior to the enemy. Through movements the fire can be directed on the enemy or friendly forces can escape the impact of the enemy's actions . . ."

With reference to defense, No 2702. states:

". . .The enemy, the ratio of armored to unarmored combat forces, the terrain, and other circumstances related to the situation, influence the decision of the troop commander to conduct the defense in a mobile or predominantly static fashion. . ."

I consider this statement dangerous, and at least misleading, for two reasons.

Firstly, if we follow the previously given definition of defense, the latter will at least always have to be conducted within rigid bounds.

And, secondly, the concept "armored forces" also includes armored infantry; from this one could conclude that with these one could conduct a mobile defense. That, however, is inconsistent with the essence of the infantry, as I will attempt to show later.

2703. states that the strength of the defense rests "also on the movements with which the forces flexibly and variedly bring their fire and their striking power to bear."

Aside from the fact that the wording strikes me as somewhat florid, I would also here like to draw limits with respect to the infantry.

The intention is surely correct to conduct combat operations actively also on the defense and not just to endure, to regain the initiative from the attacker, and wherever and whenever possible to dictate the course of events oneself and form points of force concentration.

This becomes problematical when we think that we can accomplish this primarily through technical mobility on the battlefield, and when we believe that we can offset our numerical inferiority by movements alone, e. g. through lateral shifts of forces from less threatened points to the focus of the activity.

So what can we achieve through movements in the defense? To what extent do they appear practical?

The Role of the Infantry

To answer these questions, we must delve more deeply into specifics to examine how one defends most expediently.

We have seen that defense means preserving, that it means creating a barrier to the enemy advance and breaking the attacking strength of the enemy. In the process the coherence of the defense is to be preserved.

I am assuming [taking for granted] as an accepted necessity that this coherence does not always and everywhere mean mutual fire support or a continuous front line.

This defense is best conducted through the holding of terrain, against an armored enemy most expediently with antitank weapons, i.e. tanks and antitank rockets. Now without a doubt the tank is a particularly mobile weapon and one which with relatively low risk can quickly change its position on the battlefield. For the antitank guided missiles, the situation is already more difficult, especially since it is not easy to find new suitable positions for them quickly.

But do antitank weapons suffice for defense?

--No! Not only at night and during times of poor visibility is a significant share of the defense battle fought by the infantry. One can even claim that the holding of terrain as such is not possible without the infantry, as long as the enemy has infantry troops at his disposal who can destroy unprotected tanks and antitank guided missiles in close combat.

So What is the Situation Relative to Mobility of the Infantry?

Clausewitz says" "The infantry has the characteristic of a fixed position preferably, but does not lack movement entirely (Book 5, Chapter 4)."

I think that this has not changed essentially to the present day--despite all technicalization.

And this makes the infantry especially suited for the defense. But nowadays the infantry has stability under stress only when it fights from positions; the fire of enemy tanks and above all the artillery would otherwise deprive them very quickly of their stability and thus their effectiveness.

Mobility of the infantry thus expresses itself as moving from one prepared position to another. Preparing positions takes time. Emplacements must be built with roofs, shelters, wire obstacles, mine barriers. Depending on the soil and equipment available, 12 to 24 hours are needed for this, sometimes even longer. And reconnoitering has not even been mentioned here.

--How many positions might a company, a battalion be able to prepare under these conditions in a national defense emergency?

Here we have encountered another limitation of mobility. In replying to the above, it is usually pointed out that we have our armored personnel carriers, after all, and if we should have to abandon a position we would simply fight while mounted, in "mobile" fashion. I maintain on the other hand, a mounted infantry battalion in a defensive action is nothing more than a very light armored battalion, which is transporting a number of particularly endangered troops in the rear combat zone who are hardly capable of taking part in the combat. There is only one situation in the defense which requires the armored personnel carrier with mounted infantry: the counterattack. The armored infantry battalion is primarily a unit for the attack. Defense is conducted from prepared positions with the support of armored personnel carriers. It is for this reason that I warned above against the expression "armored troops." My view is supported by the older regulations of the armored infantry.

The special directive [instruction] for the training of armored infantry forces No 7 1 (classified/FOUO), "The Armored Infantry Battalion," reads in No 322:

". . .defense actions are as a matter of course fought while dismounted."

and in No 1009:

"Armored infantry companies as a matter of course defend in field fortifications while dismounted with the support of their armored personnel carriers. Even if in a situation of urgency, defensive action must be begun or continued and no field fortifications are available, the fighting is done while dismounted. Initially, the armored infantry troops utilize available cover, which they expand as soon as possible. Mounted actions are fought only during counterattacks and while withdrawing to positions in depth."

And in the "Interim Command and Operations Principles of Combat Forces - Changes and Supplements by Army Structure 4" (1st editions of the Directive for Command and Operations 700/108 (classified/FOUO)), we find in No 802:

"In the defense, (armored infantry troops) normally fight while dismounted, with the support of their armored personnel carriers. The rapid, situation-dictated change between mounted and dismounted combat characterizes their operation in the attack or in delaying actions."

Further on, the "expanded positions" of the armored infantry troops are mentioned several times.

I consider erroneous, however, the statement in No 819, according to which, in the defense, the "high mobility of the armored infantry company is to be maintained as long as possible." This seems to me to contradict the other statements in the regulation.

The new Directive for Command and Operations 700/108 (classified/FOUO) again leans more toward mobile defense by the armored infantry. It does not demand dismounted fighting "as a rule," but rather sees it only as one possibility; indeed, it demands that armored infantry troops be prepared for the eventuality "that they must quickly shift to mobile combat with their armored personnel carriers." My misgivings about such a procedure have already been voiced.

Essentially, therefore, for mobile operation in a defense area, we have remaining the armored forces supported by the armored infantry. On the other hand, this means that these [armored forces] can move from positions within a rigid bound only if--as is always demanded--the coherence of the defense is to be preserved.

The bounds themselves are not mobile, except if one has the time and additional forces to expand them.

Mobility in defense within the infantry battalion is therefore limited to counterthrusts and the occupation of prepared alternate positions, within the brigade it again manifest itself in the counterattack, the reinforcement of particularly endangered sectors, especially with tanks.

Strategic mobility requires additional forces and an available operation area.

It should be mentioned in passing and for the sake of completeness that movements on the battlefield require protection from air attacks.

In conclusion, I would like to add several quotations, so as to illuminate my views from another perspective.

Concluding Remark

General Niepold writes in an article appearing in TRUPPENPRAXIS 3/81:

"Probably no one will argue the fact that, in a battle with conventional weapons and forces, as has always been the case, operating in the open area will be the sought for objective of every attacker, whom the defended can of necessity oppose with only as tightly closed a front line as possible. Certainly nothing has changed in this basic principle of warfare, also not since WW II."

And

"Then (summer of 1944 in Russia) as now it is true that wherever the forces are not adequate for defense, one must resort to delaying actions. A third option simply does not exist, if one wants to continue operation."

The British General Sir Alan Taylor says the following concerning the topic of mobility:

"Every element of the firefight, be it tanks, infantry or artillery, is relatively useless while on the move. This uselessness must be accepted as a fact and anyone who thinks that his unit can make a significant contribution on the attack or defense while on the move is deluding himself. From this it follows that mobility means only one thing: the capability to move from one good position to another. In the first and second positions something can be accomplished; the time in between is lost. The more rapidly the movement can be carried out, therefore, the better. This is the real meaning of mobility."

And, finally, let me once again call on Clausewitz, who opposes those who "based on obscure feelings and vague notions expect everything from the attack and from movement, and who think that the Hussar fighting his way forward with saber raised above his head conveys the right image of war."

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CSO: 3620/461

MILITARY

FEDERAL REPUBLIC OF GERMANY

GOALS, COMPONENTS OF ARMED FORCES PLANNING ELABORATED

Bonn TRUPPENPRAXIS in German Jul 85 pp 320-323

[Article by LTCOL Juergen Bringmann: "Bundeswehr Planning for the Nineties"]

[Text] Defense Minister Dr Woerner has submitted the Bundeswehr's long-range plans to the cabinet and the public. The significance of these plans which are to cover the remaining decades of this century and which propose solutions for our nation's defense capabilities in terms of organization, personnel and equipment is the subject of the following in-depth analysis. But familiarity with these plans on the part of senior officers of all branches of service is a must, if these long-range plans are not to be turned into scrap—since problems and their solutions are closely intertwined. The defense minister's planning staff not merely participates in drawing up the plans for the future of the armed forces in terms of their political, financial and material existence in name only but in very specific ways. LTCOL Juergen Bringmann, the author of the following article, is a member of the planning staff who specializes in defense and security policy as well as political education and public affairs. He is also a member of the German Strategy Forum.

The 1986 Bundeswehr plan is the first firm, long-range plan since 1977 to deal with the priority task of preventing war through deterrence. This task calls for forces of our own which are capable of deterring an enemy from launching an attack by making it clear to him that his attack will not succeed, by burdening him with an incalculable and insupportable risk and by making it plain at the same time that we are prepared to mount a successful defense, if deterrence should fail.

Needs Dictated by Threat and Alliance

The basis of all planning continues to be the NATO flexible response strategy. The triad of nuclear-strategic intercontinental weapons, European-strategic medium-range and short-range systems and of conventional forces guarantees the credibility of this strategy as long as its separate components are firmly linked, appropriately weighted as well as incalculable in terms of both time and space, i.e. not expressly tied to individual stages of escalation.

While there is approximate parity between the two blocs in the area of intercontinental strategic nuclear weapons, the existing imbalance in the area of European-strategic nuclear medium-range systems is only now being countered at the lowest levels acceptable for NATO as a result of the implementation of the 1979 NATO dual resolution, i.e. the deployment of the Pershing II's and cruise missiles in Europe.

But the clear conventional inferiority of the West continues to be worrisome, since it would force the West under present conditions to resort to nuclear escalation, thereby seriously impairing its political freedom of action. For this reason, this is where the decisive focus of Bundeswehr planning for the nineties lies—completely in accordance with the political-strategic decisions and plans of the alliance.

The constant appeals by SACEUR GEN Rogers to the effect that NATO needs to upgrade its conventional component and enhance its staying power along with the Weinberger initiative aimed at the same goal and particularly the work being done at NATO headquarters on the conceptual military framework are all looking for solutions for this crucial problem facing the alliance in the years to come. Long-range forces planning along the lines of the conceptual military framework is supposed to develop an overall strategic concept based on operational needs by drawing up a general scenario involving the primary combat tasks of the land, air and naval forces and evaluating their significance for total combat operations and thereby for the achievement of strategic goals. The goal is and continues to be successful forward defense.

In order to mount a successful forward defense, it is necessary to set up a continuous defense line in the Forward Edge of Battle Area in time, appropriate to the threat and employing sufficient forces and to reinforce them during the course of combat with European and overseas reserves.

Defense Priorities

This will only be possible, if the priorities are properly set from the very start. First, we will have to defend against the initially attacking Warsaw Pact divisions of the first echelon. Next comes the success-

ful implementation of "counter air" in order to attack the enemy air strike forces on the ground, if possible, to neutralize them and to bring about an air situation favorable to NATO. Lastly, we will have to defend against attacks by Warsaw Pact naval forces on key strategic positions on the northern flank. The personnel, equipment and, of course, financial needs required not only by our own forces but by those of all the NATO countries are far greater today than can be met by democratic nations dedicated to general welfare and the personal and social welfare of each individual citizen. This is why the work on the conceptual military framework is being done and why the goal is to set priorities, to point out weaknesses and to eliminate them and, wherever possible, to achieve greater efficiency in terms of organization, personnel and equipment.

Planning Goals

One of the goals of Bundeswehr planning for the nineties—in full coordination with NATO strategy and long-term planning—is to strengthen our conventional defense capability.

Another goal is to maintain Bundeswehr defense strength at 1.34 million men—including 90,000 men in support of Allied reinforcement units as part of the host nation support program. But this also calls for no reduction in the Bundeswehr's peacetime strength, if possible, so as to be able to conduct forward defense operations in time, to cover the deployment of the Allied corps and to be able to grow from peacetime to combat strength at the same time.

Our third goal is to orient the equipment needs of our armed forces toward national emergency requirements and to eliminate weak points in the process. In this context, the sharp rise in R & D funds, which has already taken place, is of particular importance so as to be able to draw up careful plans and safeguards in view of the missed opportunities of the nineties.

Bundeswehr planning for the nineties is based on an overall planning review ordered by Defense Minister Dr Woerner. Based on a realistic assessment of the FRG's financial capabilities and the government's long-range financial plans as well as an assessment of arms planning, we determined the actual state of our defense capabilities at this time, our future needs, the ways to meet them and to eliminate weak points and then initiated the appropriate programs. The final planning document which was worked out is known as the "1986 Bundeswehr Plan," dated 14 February 1985.

Principles of Bundeswehr Planning

The basis of all planning, as set forth in the planning order of 15 September 1983, are the "Defense Policy Guidelines" (DPG) determined by the minister of defense. On the basis of an assessment of the political,

economic and defense policy situation, these guidelines set forth the goals of the overall military defense concept and the tasks assigned to the Bundeswehr within the framework of the alliance.

On this basis, Bundeswehr planning is conducted in collaboration with the users (i.e. the three branches of service; the central medical department of the Bundeswehr; the defense ministry along with the German contingent at NATO headquarters; the Central Military Agency of the Bundeswehr; the Territorial Bundeswehr Administration; the Bundeswehr Procurement Agency) and the procurement divisions as a repetitious, cyclical and continuous process. The different planning stages are: goals, planning, transformation of plans into implementation, planning control and supervision of implementation.

During the goals stage, the overall military defense concept is developed step by step. The "military strategic goals" contain the parameters and projected goals for the mission accomplishment of the armed forces.

Goals Stage

Based on the defense policy guidelines and the military strategic goals, the Bundeswehr concept sets forth the future structure of the Bundeswehr which will permit it to accomplish its mission. The tasks required to accomplish the mission and their priority rating are determined and the tasks of the branches of service are combined under the heading of branches of service mission.

This in turn results in the formulation of supplementary "partial concepts on overlapping responsibilities" as well as "concepts of the branches of service."

Planning Stage

The projected conditions for the Bundeswehr's future mission accomplishment set forth during the goals stage are filled out annually during the planning stage in accordance with the deadlines prescribed by the budget law. This is accomplished in three stages. Under the direction of the chief of staff, the planning guidelines set down the parameters and planning projections, distribute available funds and set the priorities for their disbursement. Based on the conditions set by the planning guidelines, the users work out their planning proposals for the succeeding 15 years. Among other things, these contain information regarding units and facilities, personnel trends, type and delivery of materials, infrastructure and costs.

Bundeswehr Plan

Once the planning proposals have been coordinated, the Bundeswehr Plan is drawn up, representing the final document of the planning stage. It

lays out just how the conceptual objectives are to be put into practice and serves as the basis of the defense ministry's annual budget submission and the ministry's contribution to the government's medium-term financial projections.

The plans enter the implementation stage on the basis of directives issued by the responsible command staffs and department of the defense ministry.

Control of planning and supervision of plan implementation—an ongoing process aimed at comparing the actual and projected state of affairs—are carried out on a continuing basis on all levels of the hierarchy and the resulting feedback, in turn, has an impact on future planning.

Bundeswehr Personnel Planning

There are three premises to be considered in dealing with personnel planning up to the year 2000:

First of all, the accomplishment of our defense mission makes it absolutely imperative that Bundeswehr strength is maintained at a level of 1.34 million men.

Secondly—both from the point of view of deterrence and as a precondition to timely growth from peacetime to wartime strength—we must maintain our present strength of 495,000 men or something very close to it. Any reduction in peacetime and defense strength would have serious alliance policy and military operational repercussions. Thirdly, starting in 1988, the declining number of young men of draft age (because of the low birth rate age groups coming of age) will have such a negative effect on the annual replacement needs of the Bundeswehr that there will be a shortage of 100,000 draftees as of 1994. In the absence of any countermeasures to deal with this problem, Bundeswehr strength would decline to barely 300,000 men by the late nineties and under these conditions the first two premises mentioned above could no longer be satisfied.

Long-Term Personnel

To meet personnel requirements among this group, command capability and operability of the Bundeswehr in peace and war is of decisive importance. In spite of the small reservoir of available conscripts, the next generation of officers, non-commissioned officers and long-term servicemen must be recruited in plenty of time. For this reason, the budget appropriations for long-term servicemen are being increased until 1987 in order to make up for the still existing shortage of some 12,000 men.

As of 1986, when the low birth rate age groups will be reaching draft age, more volunteers will have to be inducted, i.e. one out of every eight potential draftees instead of one out of 10 as is now the case—and the average length of service will increase from 7.4 to 8.8 years. In this way, we will be able to add 27,000 long-term personnel. Since we will be competing with industry, commerce and others, this increase in manpower will only be achieved, if the Bundeswehr continues to be an attractive career—ranging from financial incentives and better career opportunities to assistance in training and transition to civilian life.

Changes in personnel structure and organization between 1991 and 1995 will create and fill 6,000 additional indispensable personnel slots, i.e. career servicemen, extended active duty officers, officer candidates and civilian personnel assigned to military jobs, and which will serve to increase the core component from 84,000 to 90,000.

Also, by overcoming the insufficient utilization of career officers in field service assignments, we will be able to maintain an efficient, motivated group of commanders who themselves are capable of motivating their subordinates and will also be able to induct the needed younger officers between 1986 and 1991. The July 1985 personnel organization law provides us with the legal underpinnings for this program. Similar problems involving officers and non-commissioned officers of the specialized military service will also have to be resolved, albeit in a different manner.

Basic Military Service

Starting in the late eighties, we are planning to introduce drastic programs to make sure we have a sufficient number of servicemen performing basic military service.

By altering physical and other qualification standards, we would be able to induct an additional 12,000 servicemen who could be used for specific assignments. Another 6,000 are to become available as a result of changes in deferment provisions, e.g. for married men and still another 3,000 by adapting the deferment quotas for civil defense and disaster aid jobs to the reduced availability of personnel. But in spite of all these measures, the manpower needs for basic military service can only be met by extending such service to 18 months by 1989. This would provide us with 42,000 additional men each year.

Reserve Duty Trainees and Standby Readiness

Greater utilization of the reservist pool, better training and assignment of reservists and an increase of reserve training slots to 15,000 per year will also help us maintain peacetime strength at roughly present levels.

Standby readiness will also be enhanced in order to see to it that the draftees can still return to their units fully trained and properly programmable for 12 months after their discharge in case they are needed on short notice.

The funds required for this personnel program and the solution of the problems inherent in it are provided for in the overall planning of the Bundeswehr.

Arms Planning

Arms planning underscores the defensive character of the FRG's security policy and pursues the priority goal of strengthening the Bundeswehr's conventional defense capability, thereby making us less dependent on the nuclear option.

Priorities are set in recognition of existing weaknesses and are oriented toward achieving maximum combat effectiveness in the face of limited funds available.

Weaknesses by all branches of services in reconnaissance and electronic warfare are being reduced on a service branch-overlapping basis. Munitions supplies are being improved both qualitatively and quantitatively—particularly as regards combat-decisive munitions.

Long-term R & D funds are being increased by about 40 percent. The goal of this program, among other things, is to make use of emerging technologies which are to make follow-on-forces attacks more effective for example. The R & D concept submitted by the minister of defense on 14 March 1985 is designed to make sure that research in military technology proceeds in the proper fashion and is oriented to the threat.

The medical service will update its field medical equipment, increase its stockpiles of drugs and bandages and distinctly improve its capability to deal with NBC protection. In the years to come, the medical service will be able fully to meet its requirements.

Upon delivery of the Leopard 2 battle tank, the ground forces will improve their antitank capability. In view of WP superiority in artillery, our own artillery will be strengthened through the introduction of MARS (medium artillery missile system) and the 155-1 self-propelled howitzer. Effectiveness will also be enhanced through improvements in target acquisition as well as control and fire direction capability and improved ammunition.

Starting in the latter half of the nineties, the focus will be on the modernization of our armored combat units. The "armored combat unit 90" system is designed significantly to enhance antitank capability through

a combination of modern weapons systems. The system will include area fire weapons, antitank helicopters (PAH-2) as well as armored combat vehicles equipped with cannons and guided missiles which will operate in conjunction with the battle tank in antitank operations. The Marder armored personnel carrier is being subdivided into two weapons systems: an armored personnel vehicle and an antitank combat vehicle. Plans have also been drawn up for a new combined weapons system: the armored infantry and anti-helicopter combat vehicle.

The armored combat vehicle No 3, the successor to the Leopard 1, is not expected to be introduced until after 1999.

In the air force, the high state of air attack effectiveness achieved through the now completed introduction of the Tornado will be further enhanced through an improvement in striking power and night combat capability. Additional improvements are being achieved in weapons effectiveness, particularly through the introduction of new-type, third generation ammunition. The introduction of the Roland and Patriot has significantly improved the heretofore insufficient combat effectiveness of our ground-based air defense systems. Starting in the mid-nineties, the projected improvements in combat effectiveness of the F-4F will no longer suffice to permit this interceptor to meet the requirements of a major air defense component. For this reason, consideration is being given to the introduction of a modern high-performance fighter, i.e. the fighter 90, which would be capable of attacking several targets at once.

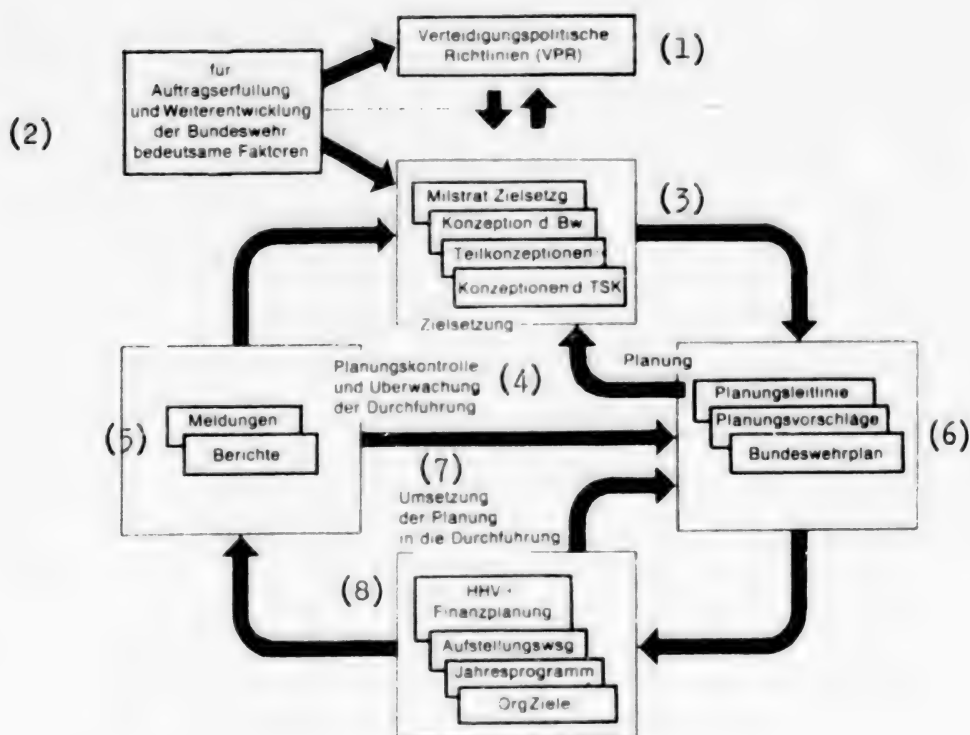
Still during the eighties, our navy will be strengthening its capability for combat in the depth of the Baltic area through the commissioning of 112 Tornados and the modernization of 12 submarines of the 206 class. By maintaining the effectiveness of its fast patrol boats and converting its Seaking helicopters into attack helicopters, the navy is attaining a high state of effectiveness to help defend against attacks by sea and in the air in the Baltic and its approaches.

Starting in the early nineties, the focus will shift to the North Sea and the northern flank area. To replace the by then obsolete combat ships, procurement of six 211 class submarines, a number of 124 class frigates and reconnaissance and antisubmarine aircraft has been authorized. In addition, the Navy's plans for mine warfare in the North Sea and the Baltic as well as the acquisition of new ammunition and peripheral equipment will further enhance its defense capability.

Like every type of planning, Bundeswehr planning is a compromise between what is desirable from a technical point of view and what is realizable in terms of funding. In this light, the present plans represent a quantitatively and qualitatively convincing and sufficient contribution by the FRG to deterrence and thereby to the prevention of war.

They are characterized by an improvement in the defensive strength and the reaction capability and staying power of our armed forces; by a greater emphasis on command capability, reconnaissance and electronic warfare; by the establishment of service branch-overlapping priorities; by a departure from succeeding generation thinking as regards weapons systems; by the maintenance of peacetime and wartime strength of the Bundeswehr and by realistic, long-term financial planning.

Bundeswehr Planning Procedures



Key:

1. Defense policy guidelines
2. Important factors bearing on fulfillment of mission and onward development of Bundeswehr
3. Objectives: military strategy objectives; Bundeswehr concept; partial plans; branch of service plans
4. Planning control and supervision of implementation
5. Reports, messages

6. Planning: planning guidelines; planning proposals, Bundeswehr plan
7. Transformation of plans into implementation
8. Army Main Liaison Staff plus financial planning; organizational instruction; annual program; organizational objectives

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MILITARY

FEDERAL REPUBLIC OF GERMANY

MARITIME PATROL AIRCRAFT REPLACEMENT OPTIONS STUDIED

Bonn WEHRTECHNIK in German Mar 85 pp 91-94

[Article by Erhard Heckmann: "Maritime Patrol Aircraft with Four Alternatives"]

[Excerpt] In the next 15 year Bundeswehr Plan approved by the cabinet last October there is a provision for procurement to replace the ATLANTIC maritime reconnaissance aircraft (in the 3rd Naval Aviation Squadron) after 1996. Judging from past experience (almost 10 years elapsed between the start of the ATLANTIC program and delivery to the naval aviators), this alone is reason enough that this will become a hot topic of discussion these days, even though the Federal Navy is saying nothing. The Defense Ministry apparently prefers to have the press serve as a favored means of lavishing praise upon the wisdom of such decisions after a selection has been made. It is obvious that the makings of such decisions are fully examined and discussed by the end users also. Further, that the situation and the factors which determined such a decision can change during the process of a weapon system development. even a new threat analysis would be sufficient to overturn the weapons concept of one of the armed services. For this reason, the following report is meant to be nothing more than an update, a statement of facts.

The somewhat obsolescent equipment of the ATLANTIC caused a French proposal in the early 1970s to further develop the ATLANTIC, jointly with Germany and The Netherlands, into an ATLANTIC 2. This proposal was killed by a particularly favorable proposal from the United States, which proposed the carrier-based, jet powered Lockheed S-3A VIKING ASW aircraft. The attractive feature of this aircraft was its automation conducted by a central computer and thus a reduction of the crew to four persons. In the end it turned out however that the FRG Navy was unable to finance this procurement since its production could not be made contiguous to that of the U.S. Navy and production was eventually discontinued.

ATLANTIC Combat Capability Expansion

The FRG Navy had in the end only one choice, which was, as an interim solution, to increase the existing ATLANTIC's combat capability. Dornier received the contract as prime contractor at a fixed price of DM 170 million. It contains the following major changes:

- installation of a new Texas Instruments APS-134 search radar;
- installation of a new Loral EW-1017 ESM system with greater frequency range, automatic analysis and high angular accuracy;
- a new Bell & Howell magnetic band system meeting IRIG standards, with an increase in interoperability;
- a new buoy launcher with individual launch tubes for each buoy, avoiding the necessity for manual reloading in flight;
- a modernization of the Emerson sonar with eight direct-access channels, a greater frequency range and comprehensive digitalization;
- an expansion of the navigation gear by addition of a Litton LN33 platform with Decca.

It must be stated that the combat capability enhancement program caused considerable time delays, especially through difficulties with the ESM equipment. They were most likely caused on the one hand by overly ambitious requirements by the Navy, on the other hand by overestimation of technical feasibility subcontractor Loral as well as by prime contractor Dornier. On the industry side, exaggerated specifications were cited, such as an angular accuracy which would make no sense given the navigational accuracy-- but the contract had been signed and contract compliance has been a basis of doing business since before Shylock. But difficulties with the ESM equipment are not a purely German problem. The British have similar problems and even the U.S. Navy sees some weaknesses in this respect. It has therefore requested for the P-3C UPDATE 4 requested a new ESM system from AIL, the ALR-77, which is to be tested this year aboard an UPDATE 3 developmental aircraft. With Dornier, while above solid ground everything worked well with the ATLANTIC KWS with friendly emitters, it was a different story in the deployment area where radar carrying boats in particular caused superimpositions and inaccuracies.

There is no argument that a further combat capability enhancement, such as a KWS 2 for the ATLANTIC, which has already exceeded one-half of its life expectancy, is out of the question, such as retrofitting with FLIR and an improved LINK 11.

ATLANTIC Successors

The following alternatives are available for successors to ATLANTIC:

- participation in or purchase of the French-developed ATLANTIC 2, which 5 years ago carried the interim designation of ATLANTIC M-4;
- procurement of the Lockheed ORION P-3C UPDATE 4;
- procurement of the ATLANTIC airframe and integration of fewer French flight and mission avionics;
- AIRBUS A-320 airframe with installation of European flight and mission avionics.

ATLANTIC 2

When the French found little interest in The Netherlands and Germany for a second-generation ATLANTIC, they initiated the program on a national basis. The definition phase started in July 1977, development in September 1978 and 8 May 1981 saw the first flight of the ATLANTIC 2 prototype, a modified ATLANTIC 1. A second prototype with a small part of the mission avionics began flight testing on 26 March 1983. Finally, with a requirement of 42 aircraft for the French Navy, production of an initial 16 aircraft started in 1984, with the same subcontractors as the ATLANTIC 1, except for participation by Fokker. The Netherlands had in the meantime ordered the P-3C UPDATE 2, and its share had been transferred to French firms.

Compared with the basic model, changes in the external, invisible portion, are limited to an increased use of bonded joints, and better corrosion protection; among visible changes is the stretched underside at the rear of the fuselage.

Navigation gear consists of two inertial navigation systems (ULISS 53 by SAGEM with NAVSTAR coupling); an air data computer with automatic navigation table by Crouzet; a SFIM magnetic emergency course gypp; a Kollsmann synchronous sextant and optional Doppler speed coupling.

For radio navigation there are two EAS VOR/ILS receiver; one LMT DMF, one Collins Tacan instrument and one Collins MF-ADF instrument. The automatic pilot and flight director, especially for low altitude flight, is built by SFENA and the two radar altimeters come from TRT.

The radio-telephone instruments are the conventional ones; added to them are two radio teletypes. The data link system will be discussed later.

The ARAR 13 by Thomson-CSF serves as the ESM gear; its development is to be completed by the middle of 1985. It has a panoramic display: frequency over azimuth and alphanumeric displays for analysis, identification and other things.

The self-compensating MAD equipment is made by Crouzet; its distinguishing feature is a magnetic core resonance sonde.

The Thomson-CSF IGUANE was chosen as the search radar. Its features are I-Band, impulse compression and frequency hop. The FLIR is made by TRT and SAT.

Thomson-CSF developed the SADANG sonar gear with ECAN de Ruelle. It consists of 16 sonar data receivers and two operating consoles with data processing and a display system; a remote control system for active buoys; an acoustic signal generator for control purposes; an "overlight" indicator and a band instrument. As can be seen, the equipment is complete except for the LINK 11. The prime contractor informs us that the Advanced Link 11 is still under discussion by NATO as to its specifications and that France will comply with the NATO decision for reasons of interoperability.

Lockheed P-3C

The fact that the Maritime Patrol Aircraft (MPA) is entering an active phase was proven by the rumor that Lockheed wants to open an office in Munich. Lockheed does not have a permanent office in the FRG; visits from the firm are always in connection with projects or sales efforts.

In 1958 Lockheed had won the U.S. Navy competition and after flight testing on 15 April 1961: delivery to the U.S. Navy as replacement for the P-2 NEPTUNE commenced in the middle of 1962. A total of 157 P-3As were built for the Navy and discontinued in 1978. The "A" series was followed by production of the P-3B with 124 aircraft for the U.S. Navy, 10 for Australia, five for New Zealand and seven for Norway. From 1969 on the P-3C was produced with a total of about 225. During this period there were a number of modified models for increased combat capability. Production of the UPDATE started in 1975 (it was not called UPDATE 1, because it was not known then that the P-3C production would turn into an endless sequence), with increased memory capability, a new programming language, OMEGA, a more sensitive acoustic system and a tactical display for two sensor stations. The UPDATE II was first delivered in August 1977 with an infrared detector system, a Cubic AN/ARS-3 sonobuoy reference system and adaptation for the HARPOON air-to-ship missile. Australia ordered ten plus ten of this version (for later exchange), the Netherlands Navy 13 and Japan 45. The UPDATE III prototype was delivered in August 1983, and series delivery started in May 1984. This version contains the IBM PROTEUS acoustic data processor, a new sonar data receiver to replace the DIFAR and an improved APU. The UPDATE IV is to be available in 1991 and is the version which Lockheed is offering to the FRG Navy. The U.S. Navy might have something to say about the delivery date.

Nine P-3C aircraft will be constructed in 1985, five of which will go to the U.S. Navy, which originally wanted nine. In parallel with construction for the U.S. Navy in Burbank there is construction for other countries, such as Australia. The majority of the software for U.S. Navy aircraft may be exported. Prohibited from export is a part of the cryptography and part of the IFF coding.

Lockheed informs us that negotiations with subcontractors started as early as 1983, so as to determine subcontracting in the FRG for the total FRG procurement of the P-3C for a number of years. If a contract were eventually to be signed, compensatory subcontracting would amount to 25 percent. However, these compensatory efforts would not include work on the aircraft itself, but rather operational support and software maintenance including "Hot Mockup" etc. Lockheed figures fly-away costs for 18 P-3Cs at the UPDATE III standard at \$1 to 1.2 billion; added to this would be \$200 to 300 million for a maritime air operations center (MAOC). Lockheed thus appears to be covering all bets; even the Bavarian and Baden-Wuerttemberg state chancelleries were informed about this matter, probably realizing that the purchase of the P-3C would create considerable political resistance in the FRG.

ATLANTIC With Avionics Installed in Germany

Dornier is the main proponent of installing less French-oriented avionics in an ATLANTIC fuselage. It apparently prefers a joint venture with Boeing, in which the U.S. firm would propose equipment similar to that installed in New Zealand's P-3B. The centerpiece of this configuration is Boeing's Universal Display and Control System (UDACS). Every UDACS station consists of a symbol generator, programmable multi-functional steering and a display console which can be equipped with either a monochromatic or color display. Programming control of the viewing screen permits input in all three orthogonal axes.

Dornier/Boeing designates this ATLANTIC configuration as the Advanced Maritime Patrol Aircraft (AMPAC). It is different from the U.S. Navy's P-3C in the following:

- shallow waters in the deployment area would require data processing and beam characteristics similar to those of the Australian/British BARRA system;
- Link 11-10A would be required for reasons of interoperability;
- the aircraft would have to be equipped with defensive weapon systems;
- passive and active missile threat warning would be required, as would be chaff and infrared flare launch facilities;
- radar classification of water surface targets would be desirable.

Among other things, these arguments are to serve to convince the U.S. Navy that the P-3C in an unmodified version would not be suitable for the operational area. The U.S. Navy does not appear to be inclined at present to permit P-3C equipment to be installed in other aircraft fuselages. This is particularly true of the acoustic signal processors DIFAS and PROTEUS. The U.S. Navy bases its negative attitude on arguments concerning interoperability and standardization. It is of course an interested party in this, since procurement by the FRG would also reduce the price of P-3Cs for the Navy. However, in contemplating the varied types of equipment installations in U.S. Navy P-3Cs, one does not find a particularly high degree of standardization either. If the FRG Navy had ever had any doubts as to whether installation of new mission equipment into an existing aircraft fuselage could ever be implemented at reasonable cost, these doubts have increased as a result of the quarrels among Dornier's subcontractors. A negative image is often result of one's own actions.

AIRBUS A-320

A proposal by MBB, to use the fuselage of the new small AIRBUS A-320 as an MPA 90 by equipping it with appropriate mission avionics, is meeting with derision. Initially, this sounds strange, since MBB is a subcontractor in the production of the ATLANTIC 2. However, the Ottobrunn firm figures on greater demand for maritime patrol aircraft in the more distant future and also probably believes that the successor of the turboprop aircraft will be a jet powered one. The firm's interest in being active in this market is likely based on long-term projections.

Present Status

At present the FRG Navy is studying the possibility of bringing the introduction of the MPA 90 forward from 1996 by 2 years, and especially the impact which this would have on other major Navy systems which are to be procured during the 1990s, such as the Frigate 124 with integrated helicopter, the U-211 submarine, the large supply ship, the 322 minesweeper etc.

Currently the MPA program is in the concept phase and the military technical objective is to be defined by late fall. This would then be followed by the definition phase lasting one and one-half years. Thus the selection of the prime contractor can hardly be expected until 1988.

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MILITARY

SPAIN

ECONOMIC BENEFITS OF U.S. BASES DETAILED

Madrid EL PAIS in Spanish 30 Jun 85 pp 24, 25

[Article by Carlos Yarnoz: "The Price of Separation"]

[Text] Madrid--Spain is insisting on reducing the U.S. military presence, and Washington on the economic cost this will entail for Madrid.

Three air bases and a naval base under joint use, six communication and two observation centers, one munitions depot, 12,545 military and 1,669 civilian personnel, 196 planes and one 800-kilometer long oil pipeline. These are the figures that represent the U.S. military presence in Spain in the IDA's [Support Installations] as they are designated in the Spain-U.S. agreement. For Washington, it is "Spain's principal contribution to the defense of Western democracy." For Madrid, it is an excessive foreign military presence that must be reduced through "negotiations confined within the bilateral ambit."

In Washington as in the U.S. Embassy in Madrid, studies have been proliferating in recent weeks on the economic cost to Spain of the proposed reduction of the U.S. military presence in our country. As put by a highly-placed official of the Ministry of Foreign Affairs, it could be said that Spain's relationship with our American friend is in large part being calculated by Washington in terms of dollars, and specifically in terms of the costs that such a reduction will entail for the Spanish Armed Forces.

According to U.S. Embassy figures, the U.S. military presence in Spain involved in 1984 a total investment in our country of \$159 million (28,620 million pesetas), of which \$69 million (12,420 million pesetas) were spent for maintenance of the installations, which, in most cases, are used by both countries but are paid for solely by the United States.

Of those \$69 million paid by Washington, \$36 million were spent on the Torrejon Air Base, \$16 million on the naval base at Rota (Cadiz), \$9 million at Zaragoza, \$6 million at Moron and \$2 million on the Rota-Zaragoza oil pipeline. Also in 1984, the United States spent \$22 million (3,960 million pesetas) on improvements to the installations. The bases as well as all the installations built by Washington are, and have been since 1972, the

exclusive property of Spain, and, although many systems are used jointly, their maintenance and improvements are paid for by Washington, which will no longer be the case in those places from which the United States will withdraw following the negotiation that is to commence next month but which will last close to a year, according to the Ministry of Foreign Affairs.

In addition to the Rota Naval Base, the IDA's in Spain that are of most interest to the United States are, in descending order of priority and according to Ministry of Defense sources: The Zaragoza Air Base, the use of the Bardenas firing range, the Moron Air Base, the Torrejon Air Base, the seismographic station at Sonseca (Toledo), and the communications stations it operates along the Mediterranean coast and in the Balears Islands.

At the Zaragoza Air Base, covering an area of 1,800 hectares, the USAF--2,304 military and 189 civilian employees--has 5 large tanker planes for the in-flight refueling of fighter planes, as well as 48 tactical planes of a training wing. The Spanish air space is the least congested in Europe, and in-flight refueling operations require large open spaces, making the Zaragoza Air Base one of the most difficult to replace for the United States. In the event of an armed conflict in Europe, fighter planes would be refueled in flight over northern Spain to enable them to continue operating on the hypothetical front.

Moreover, Zaragoza has the important advantage of being only 40 kilometers away from the firing range at Bardenas (Navarra), where live firing exercises are carried out by planes based in Spain as well as others deployed throughout northern Europe.

At the Moron (Sevilla) Air Base--386 military and 43 civilian personnel--one of the United States's principal IDA's, the USAF also operates a complete in-flight refueling system, with 15 tanker planes. At Moron, Washington also has a Navy transmitting station for communication with ships navigating in the Mediterranean and the Atlantic.

At the Torrejon Air Base, covering an area of 1,320 hectares, there are 4,507 military and 685 civilian personnel. There, just 20 kilometers from Madrid, Washington has 79 fighter bombers, F-16's for the most part, which are part of a tactical fighter wing. There is also a military transport terminal and maintenance service for aircraft based there or in transit. At the same base, the Spanish Air Force has its 14th Wing, currently made up of antiquated Phantoms, and its COC [Combat Operations Center]. The Torrejon runway, 4,000 meters long, is the longest military runway in Europe and can therefore accommodate any and all types of planes.

From the seismographic station at Sonseca (Toledo)--18 U.S. military personnel--the USAF can monitor any explosion or nuclear test that may take place over a third of the earth's surface. Thus, it is an important center from the standpoint of following up on nuclear arms limitation agreements.

By means of the communication stations installed along the Mediterranean coast and in the Balears, the United States has been able to maintain constant contact with and ongoing control by the U.S. military over the ships of the 6th Fleet navigating in the vicinity of Spain, exactly as would be the case in the vicinity of the U.S. coast.

The Rota-Zaragoza oil pipeline was built during the 1950's at a cost of 213 million pesetas. Totalling 800 kilometers in length, this pipeline traverses Spain at a depth of 90 centimeters and consists of six storage reservoirs and five pumping stations.

'Out-of Zone' Use

With this infrastructure in Spain--to which must be added the 35 military personnel who work at the Air Force General Headquarters as members of JUSMAG [Joint United States Military Assistance Group]--the U.S. forces use these supporting facilities for operations within the NATO area of intervention as well as outside it. In most cases in which IDA's located in Spain are used for "out-of-zone" operations, these operations are situated in Near East countries, "an area of special political sensitivity for Spain," points out Maximo Cajal, director general for North America in the Ministry of Foreign Affairs.

It is not surprising, therefore, that during the 1982 Spain-U.S. negotiations for renewal of our friendship agreement, "one of the most difficult points," as recalled by a Navy military chief who took part in them, was the one relative to Spain's demand that Washington agree to request the Spanish Government's permission each and every time one of the IDA's must be used for military operations outside the NATO zone of intervention. This sphere, or area, ends on the northern coast of Africa.

This demand has already given rise to several conflicts, since the Spanish Government has on several occasions denied that permission. Several months ago, for example, according to a highly-placed official of the Ministry of Foreign Affairs, Spain denied the authorization required for stopovers to be made in our country by F-16's bound for Israel to participate in joint Israeli-U.S. air exercises.

On other occasions, and in view of the specific purposes of the contemplated operations, Spain has not raised the least objection to stopovers of this type. Last week, for example, two large U.S. planes carrying food and medical supplies for Ethiopia transited Spain.

9399

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ECONOMIC

AUSTRIA

VRANITZKY ON BUDGET, WAGE COSTS, PRIVATIZATION

Vienna ARBEITER-ZEITUNG in German 27 Jul 85 p 4

[Interview with Minister for Finance Franz Vranitzky by Manfred Scheuch and Eva Pfisterer; date and place not given: "We Will Not Economize at the Expense of Our Future"]

[Text] Not to have to talk about the wine scandal for once is quite a relief both for a politician and a journalist. The many problems which Minister for Finance Franz Vranitzky faces remind one that Austria has some other concerns as well. Nonetheless, the finance minister believes they can be solved on the basis of what he calls his "progressive realism" and by not ruling out meaningful budget cuts.

[Question] When you entered political life a year ago, you were known as a technocrat who would rather have stayed in banking. How do you feel about your job now: are you just doing your duty or are you getting a kick out of politics and power ?

[Answer] That is an expression I would not use in connection with my work and even less so in connection with power. In my view, I have a job to do and I have been given some responsibility—which is another way of saying why I decided to take this far from easy step and accepted this high office. I felt I owed it to our democratic form of government and that it was my duty as a citizen to help the chancellor out at a time which was characterized as a difficult one.

[Question] Although the unfortunate events of the summer tended to overshadow it, there is still some discussion about your intention to set aside sufficient funds to provide government workers with a 2.5 percent pay raise. People concluded from this announcement that you were intent on putting out wage guidelines and they also felt that a reduction in purchasing power would not only jeopardize jobs but also have an adverse effect on tax revenues.

[Answer] There is a simple explanation for my announcement that I was including the 2.5 percent raise for government employees in the 1986 budget. By law, I must submit a budget to the parliament long before the wage negotiations with the public service unions have taken place. I need to make provisions for that in the budget. I submitted the 2.5 percent estimate not in order to set any wage guidelines—in fact, I am not in favor of wage guidelines at all—and not in order to prejudice the negotiations themselves but because I wanted to send a signal that we have to be very careful and responsible in drawing up the budget. That is the first point. Now to the second point: however the wage talks with the government employees unions come out, that outcome will have a direct and immediate impact on the budget. And since I am the one who holds the government's purse strings, it will have a direct effect on my available funds.

Thirdly, the basic goal of our wage and income policy is to create additional purchasing power on the one hand; but on the other hand we must take the competitive position of the Austrian economy into consideration and that means we must factor in wage and salary increases which have a bearing on overall costs.

My fourth point is this: not only the unions, for whose concerns I have the utmost understanding, have spoken out on this issue but also a number of businessmen who said that the finance minister should not interfere in the bargaining process. I have taken note of this and my conclusion is that the business community is not so much interested in keeping any increases within bounds which clearly indicates that business is good. But the logical next step would be that government does not need to provide as much subsidies to industry.

[Question] A few weeks ago, you said in referring to tax cuts that you had no intention of handing out any election gifts. The OeGB, however, is pressing for a substantial tax cut in 1987. You wish to save money on the budget but on the other hand you certainly do not want to reject the union demands out of hand.

[Answer] I do not consider this a dilemma at all but an entirely natural difference of opinion. The unions of course are fighting to secure a higher net income for the gainfully employed. That is the job of the unions; that is what they are there for. But no one should make it appear as though the adoption of negotiating positions and the actual conduct of negotiations were taking place in this country for the first time ever. That is the way it has been done for decades. The constructive and cooperative relationship between the finance minister and the OeGB leadership is not affected in a functional or personal way by this in the least.

[Question] Let me ask you a question as a social democratic minister: would it not be far more beneficial from a social point of view for the masses of small earners, if the value-added tax were reduced—either instead of or in addition to carrying out a wage tax reform?

[Answer] During the first stage of course every tax cut has a popular and a social aspect to it. But if the budget shortfalls get too big as a result of such tax cuts—be they of the wage or value-added variety—so that the taxpayer, i.e. the average wage earner, is asked to pay up after a certain length of time, as has been done several times in the past, then you have merely started out by doing the popular thing and wind up by resorting to its painful alternative.

[Question] This is not the first time that the socialist government (and now the coalition) is criticized for permitting taxes of wage earners to rise at a faster rate than growth while those liable for income tax are paying only half as much now as they did in the early seventies.

[Answer] That is a well-known debate and I am taking it seriously—but the fact is that our statistics don't really tell us very much. Income tax is also levied on all those firms which are organized as personal corporations and for those firms the socialists and the unions, too, have supported special treatment, e.g. investment subsidies, for years. But as long as we don't draw a distinction between desirable investment effects and "preferential treatment" this debate will not really get us anywhere.

[Question] Has any study been done on the extent to which transfer of income affects redistribution?

[Answer] There is a recent OECD study which states that Austria occupies an excellent third place among the 24 OECD member nations when it comes to computing income on the basis of individual income plus transfer income.

[Question] What do you think the fundamental difference would be between what you are doing now and what a conservative minister would do?

[Answer] There are several political trends in Europe which have been based for some time now on somewhat stagnant versions of neo-liberalism and neo-conservatism. These trends have been in evidence for several years now and the practical application of them, particularly in Great Britain and the United States has not brought any happiness. These policies show us today that unemployment in both of these countries in particular is high and that budget deficits, especially in the United States, have reached unprecedented record levels.

A second characteristic of this policy is that social programs are cut or reduced, which is a way of telling the population that after a certain number of years times will get better again. For that matter, this gibes with the OeVP view regarding its tax cut programs: they are not disputing the fact that the budget deficit will grow even more but are promising better times a few years hence.

I don't think that this belated OeVP jump on the conservative bandwagon represents a constructive addition to the debate on economic and social policy in this country—even less so, if the press reports of the past few days are to be believed which speak of their coupling economic growth and performance. Now that is nothing new: the government has been working for economic growth and performance for something like 15 years. And that is why I believe that our basic philosophy must be one of progressive realism and that our goal must be to shore up the foundations of social equality for the future by making structural improvements in the economy now. We in Austria have never subscribed to a "hire-and-fire" policy. This social position has served us well in the past and we dare not and will not deviate from it in the future.

I am not in favor of undifferentiated austerity but on some specific mass expenditures which severely strain our budget we will have to economize—but on some other items, e.g. research, development, education, we cannot cut down at the expense of the future.

[Question] Does your "progressive realism" philosophy leave any hope for Zwentendorf ?

[Answer] Yes, I am still hopeful. I don't want to go into particulars right now as to how big a hope it is—but it is a good deal greater than zero. I also do believe that there is an energy policy aspect to this. The question is whether a plan which has had the approval of the majority can actually be carried out or prevented—and that is why I think we have to continue fighting, if for no other reason than that this is an issue affecting the self-esteem of the population.

[Question] How long, do you think, will the reevaluation phase concerning Hainburg continue to go on ?

[Answer] Following the events of last winter, we immediately called on the experts to advise us. I am going on the assumption that we will have all the information we need by this fall to draw up a program of action for the expansion of hydroelectric power generally and along the Danube in particular. Our primary goal is not to provide work for the construction industry but to lay the foundation for our energy needs which are to secure jobs for the coming decades.

[Question] The OeVP has just embarked on a major re-privatization debate. OeVP General Secretary Graff even made a proposal for issuing additional CA stock.

[Answer] I don't think very much of these ideas insofar as people speak of privatization as a goal in and of itself. Let us look at these various proposals individually. First of all, no one is suggesting that the government or organizations closely affiliated with it should relinquish their

majorities in case such privatizations actually took place—in other words, that full decision-making power would be restored to private hands. Now that is one thing.

The second point I am making, i.e. that privatization is not an end in itself, refers to the fact that one should be open-minded about new approaches of this kind, if they are of advantage in the medium or long term for the enterprise concerned for managerial or business reasons. We have had various cases of this sort already.

My third point is that in all those cases where a government-controlled enterprise is criticized for being poorly run that is an incentive for me to say that the management end of it should be improved. Another thing is that one must not jeopardize the very reputation of such an enterprise both inside and outside the country by selling stock in it on the basis of a government decree.

And lastly, let me point out that private ownership offers no guarantee of economic success, as the example of the airlines, which is frequently cited, has shown. I happen to get around a good deal in the world and have flown on a good many American airlines for instance—and on many American planes the service is below average and the passenger compartments on these aircraft are very poorly maintained. These airlines are operating in the red—and they are privately owned. In Austria, there is good service on every AUA plane; the aircraft are clean and AUA is making money—and it is a government-owned airline.

[Question] You have come out in favor of new stocks; the Vienna stock exchange is doing well. Do you think we should campaign for having more workers become small-time owners; that they should buy stock?

[Answer] Yes, by all means. That is one of the objectives of our program to find venture capital for our industrial undertakings and to interest workers in their own companies wherever possible by offering them tax incentives. I have also been talking to the large banking institutions to get involved in the program.

[Question] Does the new budget leave any room at all for using it as a means to influence economic policy?

[Answer] Yes, it does. We have a leeway of about 15 percent, which admittedly is not very much. But at this very stage where the economy is doing well we must not let the budget deficits get out of hand so that at some later date when the economy slows down once again we will not be faced with having to do two things at once: prime the pump and keep the budget in check. That would not work out. Now that is the primary thrust of our budget policy: to take advantage of the good times to provide as much room as possible to maneuver in bad times.

[Question] Will the net deficit be any higher this year than five percent ?

[Answer] If we keep to the submissions by the various ministries, the gross deficit for 1986 should amount to 126 billion schillings and that would not only take far above five percent but close to six percent. But we will be using the coming weeks and months to bring that figure down.

[Question] Could you tell us where the cuts will be made ?

[Answer] Yes—2 months from now.

9478

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ECONOMIC

AUSTRIA

GROWING YOUTH UNEMPLOYMENT CAUSES CONCERN

Vienna KURIER in German 15 Jul 85 p 5

[Article by Rupert Haberson: "A Growing Number of Young People are Unable to Find Jobs--Young Women are the Losers"]

[Text] The numbers are alarming: since June 1984 the number of unemployed young people has increased by 10 percent. In 1984, 42 percent of all unemployed women were below age 25. Minister Alfred Dallinger plans to budget 1.5 billion Schillings to combat youthful unemployment in 1986.

Despite the general upturn in the economy, unemployment among young people between the ages of 19 and 24 has increased dramatically during the past 12 months:

--Young women are hit the hardest. In Styria for example, in 1984 42.5 percent of women between the ages of 15 and 24 were unemployed. For Upper Austria the figure was 36.4 percent, for Tirol 35.6 percent (see Table 1).

--Between June 1984 and June 1985 the number of unemployed young people increased by about 10 percent. Almost 23,000 in the 19 to 24-year age group were out of work at the end of June (see Table 1).

--For this year the expert of the Economic Research Institute, Dr Gudrun Biff1, predicts a youth unemployment rate of 5.7 percent within an overall rate of 4.7 percent.

--A recent study by the Institute for Economic Education [Institut fuer Bildungsforschung, IBW] indicates that the number of jobless 19 to 24-year olds will continue to increase in the next few years. Says IBW specialist Dr Klaus Schedler: "In view of demographic developments and the attraction exercised by continuing education, the picture will improve only for the 14 to 18-year olds."

--On top of all that, the duration of periods of unemployment among young people has increased: in the 20 to 24-year group, it increased by 5 percent to an average of 114 days.

Apart from young college graduates, special problems in job hunting will be experienced in the future primarily by two groups: young people living in crisis regions and young women.

Compare these figures: while last year's overall youth unemployment rate amounted to 5.4 percent, it was 8.1 percent in the Leoben District of Styria and 7.8 percent in Wolfsberg District in Carinthia. Says Schedler: "With the young women we have the problem that they concentrate upon a very few occupations, such as hairdressing. On the other hand, many enterprises provide insufficient alternatives due to discriminatory hiring practices or because the lack of separate sanitary facilities."

The bitter conclusion by Schedler's IBW study is that the data base on youth unemployment in Austria "is inadequate for proposing remedial measures for such problem groups as young women or certain regions."

Minister for Social Administration Dallinger, saying that "This is a wicked problem," wants to initiate greater occupational mobility and a change of thought processes among employers so as to alleviate unemployment among young women. However, in the overall picture not even Dallinger has any great expectations that the number of jobless youths will decrease significantly within the foreseeable future: "A reduction of working hours to 38 would of course create 12,000 to 15,000 new jobs."

The social minister is dissatisfied over the fact that insufficient use is being made of financial government assistance.

Thus for instance firms which employ one additional jobseeker in accordance with Project "Youth Billion" can obtain a grant of up to 100 percent of his monthly salary for up to 6 months, provided that the employment period is at least twice as long as the government payment period.

Says Dallinger: "We will provide at least 1.5 billion Schillings for these special employment measures in 1986 also."

The Chamber Calls for a Package of Remedial Measures

However, Dr Martin Mayr, expert on social matters for the Federal Economy Chamber, feels that an entire program package will be required to reduce youthful unemployment:

--graduates of liberal arts colleges or commercial colleges must receive more practical training;

--employers should be able to offer more part-time jobs;

--in addition to tax breaks for employers, there should also be some social security benefits;

--since it has not proven feasible to bring enterprises to the employees, the latter's mobility should be encouraged. Says Mayr: "I visualize that an attractive housing supplement could be provided for up to 1 year."

[Box] The Explosive Increase in Youth Unemployment

Overall 1984 Unemployment rate: 4.5 percent.

Unemployment rate among young people up to age 25 (including those seeking on-the-job-training): 5.4 percent.

June 1984: 92,302 unemployed, of which 24,548 (26.6 percent) were under age 25.

Overall 1985 Unemployment rate: 4.7 percent

Unemployment rate among young people 25 (including those seeking on-the-job-training): 5.7 percent

June 1985: 96,353 unemployed, of which 27,057 (28.1 percent) were under age 25-approximately 10 percent more than in June 1984.

Table 1: Percentage of Young Jobless Persons in Total Austrian Unemployment Figures [by Province]

Anteil der Jugendlichen ohne Job an den Arbeitslosen Österreichs									
	1983 (in %)				1984 (in %)				Änderung 1983-1984 ges. in %
	(1) m	(2) w	(3) ges.	(4) ges.	(1) m	(2) w	(3) ges.	(5) ges.	
Burgenland	24,5	28,5	25,6	24,2	32,4	26,5	+0,9		
Vorarlberg	28,4	30,5	29,2	30,6	34,6	32,2	+3,2		
Tirol	26,7	34,6	29,8	26,2	35,6	29,9	+0,1		
Salzburg	27,7	33,8	30,0	27,7	33,6	30,0	0,0		
Oberöstr.	30,9	34,1	32,1	32,4	36,4	33,9	+1,8		
Kärnten	28,2	33,9	30,2	28,9	34,2	30,9	+0,7		
Steiermark	30,3	40,8	33,8	31,8	42,5	35,5	+1,7		
Niederöstr.	25,3	28,2	26,4	26,8	30,2	28,1	+1,7		
Wien	16,0	19,4	17,4	17,6	20,8	18,9	+1,5		
Österreich	25,4	30,0	27,1	26,5	31,7	28,5	+1,4		

() Anteil der arbeitslosen Jugendlichen zwischen 15 und 24 Jahren an den gesamten Arbeitslosen im Jahresdurchschnitt 1983 und 1984 in Prozent nach Geschlecht und Bundesländern. Quelle: IBW

Key:

1. Male
2. Female
3. Total
4. Total Percentage Change between 1983-1984
6. Share of jobless young persons between the ages of 15 and 24 in overall unemployment, annual averages for 1983 and 1984 in percent by sex and province.

ECONOMIC

BELGIUM

NEW PORT FACILITIES COMPLETED IN ZEEBRUGGE

Zurich NEUE ZUERCHER ZEITUNG in German 27 Jul 85 p 5

[Article: "Dedication of New Port at Zeebrugge"]

[Text] On 20 July the Belgians dedicated the new port at Zeebrugge with a festival to which the largest sailing ships of the world came. King Baudouin boarded a Belgian navy frigate which used its bow to part the chains which symbolically closed off the entrance to the port.

Like the pincers of a giant insect the curved harbor walls, each of which is a good 4 km long, extend out into the North Sea which because of the high velocity of the water current along this part of the coast caused the engineers special problems. An area of about 1,200 hectares is protected from the whims of the sea by the jetties which consist of thousands of concrete blocks. In an inland direction there are additional harbor basins which are connected with the front section by means of a newly built lock to handle ships up to 125,000 tons. The 12-km long Baudouin Canal ultimately leads from the inner harbor basin as far as Bruges.

Competition from the Port Cities

Thus far basically only the shell of the new port together with the lock has been completed. Actual completion with wharves and loading facilities is yet to come. In the east part of the new port a 30-hectare artificial island was created which is where the LNG [liquid natural gas] terminal will be when it is ready for operation, presumably in 1987. On the other hand, facilities for unloading other goods, for example, containers, will be located in the remaining half. Today Zeebrugge has a container terminal which is not inferior to those in Le Havre or Hamburg. Thus, completion of a new harbor basin would be something which can further increase Zeebrugge's importance as a deepwater port, possibly at the expense of other North Sea ports.

Yet not only in other countries, but also in Belgium itself Zeebrugge's forward progress is watched with envious eyes. Primarily Antwerp and Ghent tried everything in their power to obstruct the decision which was made in 1971 to expand the existing facilities. Some times, however, it is not really the overstrained opposition between the Flemish and Walloons which causes the most violent disputes. It is primarily the enormous costs of the expansion, which all in all will probably reach 96 billion Belgian francs instead of the

originally planned 18 billion (1 Belgian franc = 0.04 Swiss francs), that the competing cities use in order to stir up sentiment against Zeebrugge which is dependent on additional funds in order to complete the port.

The Splendor of the Past

Even if the question as to how profitable the expansion of Zeebrugge ultimately will be is worth discussing, there is no way to avoid the fact that it will not be detrimental to the economic strength of the country which is dependent on a flourishing foreign trade. Aspiring Zeebrugge evokes the memory of the time when Bruges, which in the beginning still had direct access to the sea, was one of the most important port cities of the world and rivaled Venice. Up to 150 ships docked every day at the quays in order to unload goods from every conceivable country and to load the much-sought products of the Flemish cloth-makers. The fact that from the Middle Ages on Bruges could no longer be reached directly since the waterways silted up did not detract in the slightest from its importance. The unloading of the ships was moved several kilometers from the city which from the 13th century on had been northern Europe's most important transshipping site for more than 200 years. Rich English, German, Basque and Galician merchants settled there and with their palaces left their mark on the external image of the city. Bruges developed its own architectural style and underscored its wealth not only with gay festivals, but also with the splendid fashions which were designed there.

Economic Revival

Many historians say that the luxurious life style of the citizens of Bruges had gone to their head to such an extent that they did not recognize the signs of the time and toward the end of the Middle Ages failed to adjust to the new events which would have required among other things a more open organizational form of economic and social life. The revival, which is emanating today from Zeebrugge which was founded in 1907, derives its dynamics from less fine products than medieval Flemish cloths and lace. The most important activities at present are the ferry traffic with Great Britain and Scandinavia, which annually involves 2.5 million passengers and reaches a volume of 5.5 million tons of cargo, and container transport. In barely 2 years the Distrigaz LNG terminal will also start operating. Likewise controversial because of the cost, it represents one of the largest projects of this kind and is impressive not only because of its dimensions, but also because of the cost outlay for security. Three containers, each with a diameter of 72 m, were sunk halfway into the ground so that they would not disturb to any great extent the vision of the bathers in neighboring Knokke and were surrounded by an additional concrete protective wall. Each of the round tanks, which later on will store 87,000 m³ of liquid gas at a temperature of -160°C rests on hundreds of cushioned concrete columns. Thus the tanks will be able to withstand any possible movements of the ground without any damage.

Anyone who climbs down about 20 m and walks between the support legs of the giant concrete barrel is unconsciously overcome by the feeling of walking through a futuristic secular crypt of undreamt-of dimensions. While construction is still in progress it is possible to get into the inside of the tank through the

1-m thick bottom plate where a strange drama is visible. The fresh rust of the steel plates which arch into the dome bathes the room in a red light. In glaring contrast to that there is a flash of green light from a welding tool which a worker uses to join aluminum bottom plates. For a few minutes one forgets that this is a prosaic industrial project and marvels at the knowledge of the workers and engineers who are building on a site which just a few years ago was still washed over by the North Sea.

12124

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ECONOMIC

DENMARK

INTEREST DECREASE, TAX REFORMS SPARK RENEWED CONFIDENCE

Copenhagen BERLINGSKE WEEKENDAVISEN in Danish 19-25 Jul 85 p 8

[Commentary by Hans Skov Christensen]

[Text] The dramatic decline in interest rates recently reflects a fundamental confidence in national economic developments. The liberalization of currency regulations, the agreement on tax reforms and the National Bank's restrained sales policy on the Stock Exchange have been cited as reasons for the decline in interest rates. But unless there was widespread confidence in a continued decline in wage and price hikes an interest decline of this size would have been unthinkable right after a period of big foreign trade deficits.

However there is a basis for such an extensive improvement of competitiveness that the current large foreign deficit must be regarded as merely a transitional phenomenon. The deficit in the balance of payments and in public finances will be reduced substantially in the next few years and rising employment will continue with undiminished strength. At the same time inflation will moderate substantially. There is broad agreement on this in the available evaluations of the market situation. This is true of international evaluations from OECD and EC as well as domestic forecasts by government economists, the Industrial Council, the Economic Council and others.

Only the Labor Business Council still maintains a pessimistic view of the Danish economy's future. OECD (and all the rest too) has misinterpreted the situation, the council said in the latest quarterly report in June 1985. Wage and price increases will not moderate much and the balance of payments deficit is not expected to decline.

Labor Movement's Pessimism

However it is nothing new that the Labor Business Council takes a dim view of the economic outlook. It has actually been doing so consistently in all its quarterly reports since the government changed hands in the fall of 1982. Its pessimism has also led to some big miscalculations which make it hard to put any faith in its current judgments. The council has rigidly adhered to the view that things must go badly if activity is shifted from the public

to the private sector. This leads to declining employment and rising unemployment, the labor movement said as soon as the four-party government's policy became known. And that attitude has been maintained consistently. In 1983 the council said time after time that unemployment would rise higher in 1984:

Labor Business Council Forecasts of Unemployment Trends

<u>Quarterly Report</u>	<u>Estimated Unemployment</u>	
	<u>1984</u>	<u>1985</u>
June 1983	326,000	--
September 1983	329,000	--
December 1983	315,000	335,000

All the way up to June 1984 the council estimated that unemployment would be higher in 1984 than in 1983.

Things worked out quite differently in reality. From the first quarter of 1983 to the first quarter of 1985 total employment rose by a good 90,000 jobs, almost entirely in the private sector. This is shown by the latest report from the Danish Bureau of Statistics. This has led to a decline in registered unemployment to around 275,000 in 1984 and everyone now expects a further decline of around 20,000 in 1985.

The economic policy that has been pursued has promoted employment to a degree that has not been seen since the 1960's. And this has happened in a period when employment has stagnated in Western Europe as a whole. The claim often made by the labor movement that only an extensive reduction in work hours can create a substantial increase in employment has simply been refuted by actual developments.

The Labor Business Council has also had to acknowledge the decline in unemployment that has taken place. This has not led to any greater optimism. It is true that the council no longer claims that unemployment will continue to rise but has moved its forecast upward to an anticipation of unchanged unemployment levels in the rest of 1985 and 1986. On the other hand it does not believe that the balance of payments deficit will be reduced in the future. If this happens it will not be because of the government's policy, the council added.

Of course one cannot expect the Labor Business Council to be enthusiastic about the government's policy. But there should be room for some acknowledgement when employment gains far exceed the council's forecasts. This is especially true when we take into account the fact that the labor movement has placed the highest priority on increasing employment.

Things Going Well

Firms have shown that there are big possibilities for increasing production and employment when operating conditions are reasonable. And everything indicates that this situation can continue in the years ahead.

The Industrial Council's questionnaire to member firms in May 1985 showed a clear majority of firms expecting further growth in investments and employment in 1986. That is quite impressive against the background of developments in 1984-85.

According to the Danish Bureau of Statistics' semiannual investment survey from April 1985 industrial investment is expect to double from 1983 to 1985. At the same time industrial jobs will also rise sharply. The latest report shows a gain of around 24,000 from March 1984 to March 1985.

At the same time there is agreement on the part of the Artisans' Council, the Technological Institute and banks and credit institutions that there has been a definite increase in the establishment of new businesses. Innovators have gained confidence in the future and this tendency will undoubtedly be reinforced by the latest decline in interest rates.

6578

CSO: 3613/181

ECONOMIC

FINLAND

FINNISH INDUSTRY CONTINUING TO BUY INTO FOREIGN FIRMS

Stockholm SVENSKA DAGBLADET in Swedish 19 Jul 85 p 22

[Article by Nina Sallnas: "Finnish Industry Continuing to Buy Firms in Sweden"]

[Text] Finnish firms are continuing their expansion in Sweden. They have already bought 12 Swedish businesses this year.

Between January and June of 1985, eight Swedish businesses have been bought by Finnish firms, as recent Swedish figures from the SPK [State Commission on Prices and Cartels] indicate. The four most recent acquisitions, on which their status as far as the granting of permission by Swedish and Finnish authorities is concerned has not yet been made clear, are not included in the SPK's statistics.

In early May 1985, Catena decided to sell Jofa to Karhu-Titan and in late May, Safvean began negotiations regarding the sale of its subsidiary Knivman to the Fiskars concern.

In late June, Rautaruukii bought Granges hedlund, which was owned by Electrolux, and in early July a preliminary agreement was arrived at by Bilspedition and the Finnish Pauli group on a takeover of the Swedish Ivers Lee firm.

More "Nordic"

Since 1982, Finnish enterprises have bought 67 Swedish enterprises with a total of more than 10,000 employees. Slightly more than 320 Finnish subsidiaries have been established in Sweden. Approximately 115 of those are manufacturing companies. However, Sweden's representation in Finland continues to be greater with 592 subsidiaries, 209 of which are manufacturing companies.

"Finnish industry is in an expansive period, with heavy internationalization going on," says Carl-Johan Boucht at the Swedish-Finnish Chamber of Commerce. Many Finnish enterprises have become so big now that they look at themselves as being more Nordic than purely Finnish companies.

Getting established in Sweden amounts to obtaining a bridgehead to the rest of Europe, where many of the Swedish enterprises that have been bought

up already have marketing organizations. There was a fourfold increase in the value of Finnish investments abroad between 1981 and 1984. During 1984, direct investment in Sweden increased to a little more than 800 million marks. However, those figures do not tell the whole story about the acquisition of business enterprises since many of them are financed on credit.

"Since the economy has run a bit more smoothly in Finland than in Sweden in recent years, Finnish enterprises have had a chance to expand," Carl Johan Boucht says. "And the Finnish enterprises' opportunities to expand have come at a time when Swedish businesses were beginning to put their houses in order and sell portions of their concerns that no longer fitted into their plans for the future of their respective businesses."

Among the biggest acquisitions during the 1980s are Nokia's purchase of Luxor from the Swedish government in 1984 and the Wartsila concern's purchase of Rorstrand in 1983. Rauma Repola's purchase of Kockums Industri's forestry machinery manufacturing unit in early 1984 attracted attention because that deal became a case for the NO [Ombudsman for Freedom of Trade]. Rauma Repola had already bought 49 percent of the Swedish businesses engaged in producing forestry machinery for transportation. The Ombudsman for Freedom of Trade was concerned over a concentration of enterprises in that industry, but he nevertheless finally approved the purchase.

Norway Beats Finland

The SPK's statistics for the first half of 1985 show that the eight acquired businesses employed a total of 2,122 people. Norway bought 14 enterprises as against Finland's eight during the first half of the year, but those businesses have only 1,337 employees.

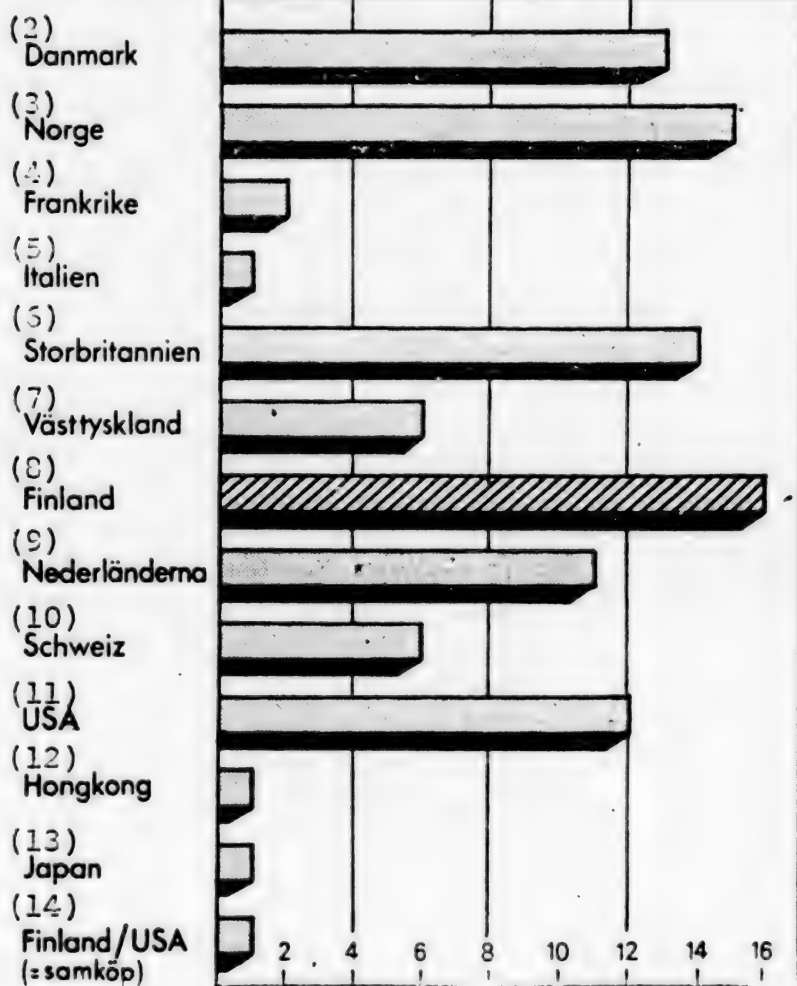
Great Britain bought eight Swedish enterprises with a total of 733 employees and the Netherlands, Switzerland and the United States each bought four Swedish businesses.

The number of foreign acquisitions of Swedish businesses in a year doubled from 51 in 1980 to 99 acquisitions in 1984. So far this year, a total of 44 foreign acquisitions of Swedish businesses have been carried out.

Some of the acquisitions have been carried out through the Finnish enterprises' subsidiaries in Sweden.

The table shows the number of acquisitions of business enterprises that were carried out in Sweden by the various countries shown. There were a few more than 2,500 employees in the enterprises that were purchased by Finnish companies.

(1)
Antal företagsförvärv 1984.



Key:

1. Number of enterprises acquired in 1984.
2. Denmark.
3. Norway.
4. France.
5. Italy.
6. Great Britain.
7. West Germany.
8. Finland.
9. The Netherlands.
10. Switzerland.
11. The United States.
12. Hong Kong.
13. Japan
14. Finland and the United States (joint purchase).

1)
Aktuella finska förvärv av svenska företag

1984

Oy Hackman	Ronneby Industri & Fabriks
Oy Nokia	Luxor
Kone Oy	Hissjour Lundquist-Bennstrom
Oy Teva Tekniika	Metsy Consulting
Sicoin Jalkine	Stålman
Neste Oy	Gullfiber
Neste Oy	Ulvex
Neste Oy	Unifas Kemi
Kone Oy	AB Malmo hissrepara-
	tions verkstad
Kone Oy	KMB Hiss
Ovako Oy	Lesjöfors
Oy Karl Fazer	Bernies bröd
Kemira Oy	AB Sandholms tapeter
Asko Oy	Forenade plast
Huure Oy	KI-Panel
Farmos-Yhtä	Hem Developement

1985

OSA AB	del av Kockums Industri
Silja Line (svensk-finskt)	Vildmarkshotellet
Fiskars	Knivman (förhandlingar pågår)
Pauli-gruppen	Ivars Lee (förhandlingar pågår)
Rautaruukki	Granges Medlund
Karhu-Titan	Jofa
Uusi Suomi	R. S. Press
Valmet Oy	Lundberg Hymas
Oy Pertek	Hiab-Foco
Asko Oy/Oy Upanor	S. W. J. Swedish Joint
Ovako	Halmstads Järnverk tillverk-
	ningsenhet i Linköping
Wartsila	Envirovac — avdelning i Electrolux

Key:

1. Current Finnish acquisitions of Swedish enterprises.

9266

CSO: 3650/306

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

BACKGROUND TO SUCCESS OF YOUNG ENTREPRENEURS ANALYZED

Hamburg DER SPIEGEL in German 12 Aug 85 pp 60-63

[Unattributed article: "Nimble Jumping Into the Breach—Young Entrepreneur Generation Making Its Mark in Midst of Established Businesses"]

[Text] They deal in computers, home remedies, hi-fi equipment and eyeglasses. Young entrepreneurs are setting up shop with a lot of courage and little capital. The hallmark of the new generation of businessmen is a feel for new products, quick reaction to customer wants and a workaholic approach to life.

When Klaus Hinnenberg started out in business on his own, he was in debt to the tune of DM 5,000 and had received "the best wishes of the family."

Today, 10 years later, the Wuppertal entrepreneur is doing somewhat better. His agency, concerned in the main with sales promotion, conference planning and personnel training, has a staff of 70 and gross sales of more than DM 60 million. In his branch of industry, they call Hinnenberg "the pope."

The success story of Duesseldorf businessman Achim Becker does not get going until the eighties. In fact, all Becker, the son of a successful used car dealer, wanted to do was to introduce an electronic data processing system in his father's business.

But young Becker, who had majored in business management, was so enthusiastic about computers that he decided to start dealing in them. He talked his father into letting him have 450 square meters of space and set up shop there. In addition to computers, he sells accessories, software and professional literature.

In the meantime, "Data Becker" has grown to become the largest publisher specializing in computers in the FRG and had sales of DM 39 million in 1984.

Although he did not have a well-to-do father but just an idea and a lot of perseverance, Hanover druggist Dirk Rossmann set an entire industry on its ear.

In 1972, Rossmann set up a supermarket for drugs and cosmetics in Hanover. By now, the 37 year-old businessman has more than 100 stores throughout the FRG and is being copied everywhere.

The setup is the same in every store. In the conventional drug stores, the jars of face cream stood on the same shelf as the ammonia bottles; but in these supermarkets the customer simply walks through the aisles with his shopping cart and satisfies his shopping needs for a week or even a whole month at comparatively low prices.

Examples such as that of Rossmann, Becker and Hinnenberg refute the thesis that there are not entrepreneurs left in the FRG. To be sure, in many of the large corporations the entrepreneurial spirit seems to have gotten lost somewhere along the chain of command. Behind its grand exterior, many a mammoth enterprise hides the fact that it operates almost exactly like any government bureaucracy. Such companies owe their success less to clever ideas than to the brute force of their financial power which help them flatten the competition.

But that brute force does not reach into every nook and cranny. Particularly during the past few years, while the economy was scarcely growing and the number of bankruptcies increased by leaps and bounds, quite a few entrepreneurs laid the foundation for their profitable business venture. With a good deal of courage and little capital they established firms which grew surprisingly fast.

The new company founders are quite different from such patriarchs as Max Grundig and Josef Neckermann who encountered an unlimited demand situation in the early days following the war.

In those good old entrepreneurial days, anyone who built apartments or manufactured clothing, furniture, radios or refrigerators could almost distribute his products rather than go out and sell them.

The new generation of entrepreneurs of the eighties cannot hope to make it on the strength of good quality and acceptable prices alone. Wedged in between the well-heeled large corporations which dominate the largely saturated markets, they must offer something new. The idea is to jump into the breach nimbly; to fill the gaps which do not seem profitable enough for the big firms. Above all, the immense supply of goods calls for sharp salesmen who come up with new ideas to excite the appetite of the saturated customer.

Only a very few of these new entrepreneurs correspond to the image drawn early this century by economist Joseph Schumpeter, who looked upon the entrepreneur as one who spreads new technologies. His specific role was to ferret out useful inventions and to offer them in the marketplace.

Werner von Siemens, for instance, who built an industrial empire on the basis of his discoveries in electrical engineering was a man who did fit this image—or someone like Borsig, who first built locomotives in Germany.

The statistics show just how much out of fashion these entrepreneurial types who laid the foundation for the industrial society have grown: more than half of those who establish a new business today do so in commerce or in services.

The most likely place to meet up with a Schumpeter-type entrepreneur is the computer industry, the only field in which new products are being developed thanks to revolutionary technology.

But even in electronics, the opportunities for new entrepreneurs are limited. IBM, the giant U.S. corporation, and electric industry multinationals such as Siemens are pouring billions of marks into development projects for this technology of the future. Any young entrepreneur who discovers a new track can be sure of being shunted aside or gobbled up by the big corporations. The only way to survive for any length of time is to find a niche of one's very own.

The biggest niche which has opened up in the new computer age is software. The operating instructions for computers are so wide-ranging, depending on their use, that even a one-man shop in a man's living room can do pretty well.

One such successful instance is that of the Munich software firm of Softlab. Programs developed by Softlab are being used in Bank of America and Boeing computers. They are used to guide Zeiss mirror telescopes and to evaluate data collected by ESA's European weather satellite.

Softlab's initial business address was a one-room apartment which is where Gerhard Heldmann, Klaus Neugebauer und Peter Schnupp, the firm's three founders, worked on computer programs. Now, 14 years later, the firm has a staff of 220 and sales totaling DM 55 million, which makes it largest independent software company in the FRG.

The Softlab trio combined technical know-how and business talent in a most successful way. Schnupp was familiar with the ins and outs of data processing; Heldmann possessed the technical background and Neugebauer knew all about the principles of accounting and sales.

Studies by business consultants have shown that those solely trained in technology have a particularly hard time keeping a successful business going. Dealing with complicated equipment all too frequently makes it difficult to keep one's eye on the dollars and cents aspect of the business.

Former managers generally have more success in business than technicians. According to Cologne business consultant Klaus Nathusius, they tend to approach the establishment of a company in a more targeted and professional manner.

Many such entrepreneurs who found a new business had already made it on the career ladder of some big company. An ignorant superior or the helplessness and desperation over the proliferating bureaucracy will be enough to make such an individual muster the courage to make the switch to independence.

In addition to the inventor and the frustrated employee, Nathusius cites one other type of new entrepreneur. Those are the ones who go through life without any firm plan and are unexpectedly confronted with an opportunity. At times, it is a hobby which turns into a business and at other times, it may be some second job that provides the incentive to found a new company.

Karl-Heinz Schumacher of Wiesbaden is one of these. While still a student, he worked for his mother's building maintenance firm. The experience encouraged him to start out in a business like it on his own. He did not pass his bar examination; but the cleaning outfit made out very well.

By now, Schumacher has built up his own small empire. He is a partner in a computer leasing firm, a distributing company for technical novelties, a professional publishing house and two property management firms. His four cleaning firms are more or less a sideline now.

Whatever the differences in origin, motivation and career may be among these new-style entrepreneurs, they are the same in at least one respect. Virtually all of them are manic about their companies and pursue their goals with an almost frightening amount of work. Conventional family life almost invariably falls victim to this monomaniac life style.

This, too, along with the disappearance of the Schumpeter-style entrepreneur, appears to be a reflection on the new age. Competition in the late industrial age apparently breeds the one-dimensional man. Anyone who is intent on making it in the marketplace has to muster higher-than-average strength, if he does not want to run the risk of failure.

"Only those who have a vision and who believe in it," Nathusius says, can hope to make it as entrepreneurs these days. Volker Dolch agrees. "Courage and doggedness" are the most important attributes an entrepreneur must have. Dolch should know. The 41 year-old entrepreneur operates a successful computer firm in Dietzenbach in Hesse.

The truth is that almost all of those who have gone into business on their own work harder than so-called normal people. Only a very few of them go on vacation or take the weekend off. Virtually all of them have turned the business into their all-encompassing reason for being.

It is quite striking that they have only a slight interest in politics. But those of the young guards of athletic shoe entrepreneurs who do have an interest in social issues tend to adopt a different point of view from the classical businessman. It does not always have to be the CDU. Life in the market niche, it seems, provides one with an outlook different from the one the old-time patriarchal businessmen used to have in feeling as one with the powers that be.

In place of such cast-in-concrete concepts as marriage, the family, order, cleanliness and punctuality, they look to new virtues such as creativity, nimbleness, surprising ideas and a sense for the psychological state of the customer.

Most of them have adopted a less conventional personal life style than the established business leaders. They have no use for the conventional status symbols and do not occupy mahogany-panelled offices. A good many of them run around in jeans and sweaters. They only wear their pin stripe suits when they have an appointment at the bank.

Social reputation means little to most of them. Hardly a one is a member of the Rotarians; many of them do not even belong to the employers association.

Aside from the fact that the latter institutions are dominated by the old-line businessmen, the young crowd considers it a waste of effort. The pitiless competition forces them constantly to acquire new information and to teach their staff—frequently in teamwork fashion—how to deal with the stratagems of their competitors.

As much as they are interested in developing a feel for the market, the young entrepreneurs see no useful purpose to attending a stag night put on by the association. If at all, they might consider attending such a function at some later date.

The real problems faced by a newly established firm—above all the lack of good personnel—will not be solved at such functions anyway. Softlab's managing director Neugebaur, for instance, considers it his greatest achievement that he introduced proper management practices soon after the firm was founded in 1971. "Many firms do not manage to clear that hurdle," he says.

Experienced managers are often reluctant to take employment with a new company. They prefer a job with a firm which offers them social prestige in addition to a variety of social benefits and a secure position.

The success or lack of it of a business depends at least as much on qualified personnel as on something else: the ability to market one's own product more effectively than the competition. Precisely because the supply of goods exceeds demand, what counts in the final analysis is who can sell his products in the cleverest way. The goods themselves are not all that important any longer.

Optician Guenther Fielmann who built up an eyeglass chain consisting of 81 stores in the space of 13 years has clearly recognized this. "After all, what we are selling are the emperor's new clothes," Fielmann admits.

Hinnenberg is an even better example. He does not sell any products but is in the business of selling the know-how of how to sell products. And Hinnenberg makes a good living doing just that as the success of his firm clearly shows.

In addition to a sure instinct for sales techniques, imagination in obtaining funds is a particularly valuable asset—because the banks, despite the fact that they keep on professing their commitment to the daring entrepreneurial spirit, are not really willing as a rule to invest in the future of a new company. They are looking for security.

But in most instances security is something the young entrepreneurs are unable to offer. The very assets which the traditional moneylenders view as security are the ones their new customers need to obtain: real estate, machinery, stocks and bonds, sizable profits. The mere prospect of future revenues just causes the bankers to shrug their shoulders.

Computer specialist Dolch, in speaking of his own experiences, says: "You leave the bank in frustration and would just as soon throw the whole thing over."

Many young entrepreneurs therefore picked another route. They either went looking for a well-heeled partner or made their top employees partners in the company.

Schumacher has elevated this practice to a regular principle in establishing a new firm. In his various firms of his, Schumacher retains a 30 to 60 percent interest. The remainder is owned by the managers of these companies.

Fielmann, the Hamburg optician, handles the financing arrangements in a similar way. Each Fielmann store is an independent operation, owned only in part by Fielmann himself. The remaining stock may be purchased by the managing director and other staff members.

This not only makes it easier to obtain the necessary capital but also increases the staff's commitment to the company.

These are not guarantees for success and, in fact of course, there are some young entrepreneurs who fail. The shining examples are the likes of Rossmann, Becker, Fielmann and Dolch. But there are countless others who tried just as hard and failed; who did not come up with the right product or whose sales pitch did not work; who picked the wrong staff or where the bank turned thumbs down too soon or who simply were not the lucky kind.

The possibility of a fiasco scares the new entrepreneurs just as much as the old established businessmen—because in a country like ours which likes things to be orderly, a bankruptcy is rarely forgiven.

In America, Softlab founder Neugebauer says, everyone gets a second chance. In Germany, conditions are different. "Failure is lethal," Neugebauer says.

9478

CS0: 3620/477

ECONOMIC

GREECE

INDUSTRIES LOSSES SEEN MOUNTING IN 1985

Athens I KATHIMERINI in Greek 3 Aug 85 p 7

/Text/ According to a special study by SEV /Association of Greek Industrialists/, industrial firm profits for 1985 will show a big drop. The study maintains, "It is characteristic that in none of the industrial subsectors will there be any improvement in results as compared to 1984. With this fact in mind, it is estimated that overall industrial firm profits in 1985 will be less compared to 1984."

This development is especially unfavorable if one takes into account the fact that according to available data, 1984 was a year in which industry suffered further damage. This evaluation is based on the analysis of the 1984 profits and losses of a sample of 2,112 small, average size and large firms of the approximately 3,150 firms that are either corporations or limited liability companies with mechanical equipment valued at over 1 million drachmas and whose records are followed by the SEV. The sample represents 90 percent of the working capital and shows the following results:

If one were to assume that the above rates of profits and losses hold true for all firms, a first estimate for 1984 brings the overall losses to 91.5 billion drachmas (compared to 55.1 billion in 1983), overall profits to 55.1 billion drachmas (compared to 43.4 billion in 1983) and the final negative result to 40.5 billion drachmas, compared to 11.7 billion in 1983. In other words, overall losses in industry will very possibly have more than tripled in 1984.

It is further mentioned that the 1984 results have been definitely influenced by the results of the problem companies. Nevertheless, even if the problem companies are not included, the profits of the remainder are greatly limited (18 percent drop).

The continuation of these trends in 1985 that, as mentioned already, must be expected with a high degree of certainty, will result in an even greater limitation of profits and an increase in losses.

	1983	1984	1983/1984
1. Firms showing profits			
Number of firms	1,300	1,337	
Overall profits (in millions of drachmas)	36,867	46,720	+ 26.7 percent
2. Firms showing losses			
Number of firms	812	775	
Overall losses	45,560	75,742	+ 66.2 percent
3. Overall Results			
Number of firms	2,112	2,112	
Overall losses	8,693	29,022	+ 233.9 percent

5671

CSO: 3521/324

ECONOMIC

GREECE

BENEFITS EXPECTED FROM FRENCH AIRCRAFT PURCHASE

Athens TO VIMA in Greek 25 Jul 85 p 5

/Excerpts/ The....half purchase of the century, i.e. the purchase of 40 Mirage-2000 aircraft from the French Dassault firm will cost 180 billion drachmas.

Yesterday, Minister Arsenis stated that this agreement opens a new chapter in foreign economic negotiations of the country, pointing out that it will constitute a model for the future since it is not merely a question of a "prayer book sort of thing" but concrete obligations that Dassault assumes. Indeed, Dassault is bound by penal clauses and fines if it does not promote business transactions that had been agreed to. It should pointed out that for the first time Dassault accepts a commitment to penal clauses in such an agreement.

According to data provided by experts, it was agreed that the purchase of the 40 Mirage aircraft was not to go above 12 billion French francs. This price includes the aircraft themselves, spare parts, technical maintenance and pilot and technician training. It also constitutes the highest limit to which the purchase can come overall. As specified, it is possible that in the long run the Air Force General Staff might decide that some of these services are not needed and thus the cost of the purchase might drop.

The overall cost of the purchase will be covered by a loan of the French Government to Greece.

The agreement for compensating benefits includes a commitment by Dassault "to work in Greece" so that 60 percent of the purchase will be covered within 15 years.

The areas where the French will be active are the following three:

- Maintenance programs for the new Mirage-2000 fighter. Investments and granting of technical assistance to war industries and especially to the EAV /Greek Aircraft Industry/ so that parts of the new aircraft will be built and assembled. These agreements will be finalized in 6 months and will most probably include the manufacture of spare parts and electronic parts for the Mirage.

- Programs for strengthening the aircraft manufacturing industry. Investments and technological support to the EAV for repairs to and maintenance of both military and commercial aircraft, both Greek and foreign. After the completion of the

investment program and training to the EAV, Dassault will provide a certificate on the basis of which the Greek firm will be able to undertake repairs to aircraft of third countries. Dassault aircraft have been purchased by Egypt, India and Latin American countries. Repairs to aircraft of these countries are expected to be done by the EAV so that a portion of the obligation that the French firm has assumed will be covered.

- Promotion of exports of Greek products, strengthening of tourism toward Greece, technology transfer, promotion of international transport and new forms of energy.

It should be stressed that responsibility for the promotion of trade burdens the French exclusively since they cannot invoke reasons of competition. They are obliged to implement the agreement, otherwise they will be fined.

On the other hand, the Greek Government's approval is needed since an investment to Greece is scheduled to be included in the compensating benefits with which present imported goods are substituted. This provision is important because the Greek Government will accept only the establishment of high technology industries or greatly added value industries within the context of the agreement.

Also required is the approval of the Greek Government for each export of Greek agricultural products or ores. This means that the exports that will be included in the compensating benefits will be products that are not being exported today and not those being already exported.

The approval of the Greek Government is also needed for every case of business dealings with a foreign firm that does not belong to the group of firms that manufacture the Mirage-2000.

Business dealings that will occur within this context will not be recorded in the agreement but only one part of them will be. Thus, a greater percentage of the business dealings will be included in the agreement according to the importance of the technology being transferred each time or the added value of the product acquires in Greece or difficulty encountered in the sale of some product or service.

The agreement shows that the Greek Government is seeking to strengthen industrial production with emphasis on the war industry. It is characteristically being mentioned that business dealings in the war industry cannot be smaller than 30 percent of the total, while in tourism they cannot go beyond 10 percent.

Another interesting point is that French firms have the right to select Greek firms with which they will work together.

5671

CSO: 3521/324

ECONOMIC

ICELAND

NOW FISHERMEN SUFFERING FROM TOO LARGE CATCHES

Cod Catch One-Fourth Higher

Reykjavik MORGUNBLADID in Icelandic 10 Jul 85 p 48

[Article: "Cod Catch up 26 Percent in First 6 Months of Year"]

[Text] The total Icelandic fish catch was 684,000 tons during the first 6 months of the year, 11.2 percent or 86,000 less than during the same period last year, when the total fish catch was 770,000 tons. The cod catch was 38,000 tons more (26 percent) than last year and the other bottom fish catch was 31,000 tons (18 percent) less and the capelin catch 93,000 tons (21 percent) less. The Icelandic Fisheries Company estimates that 140,000 tons of catch were lost on account of three strikes by fishermen for various reasons this year. This lost catch had an unprocessed value of 600 million kronas and an export value of 1.2 billion kronas.

According to provisional figures of the Icelandic Fisheries Company, trawlers with cod catches increased from 13,000 tons to 23,000 tons in June, or by 72 percent, and trawlers with other bottom fish decreased from 18,000 to 9,000 tons, that is, by around 49 percent. The cod catch of fishing boats rose by about 40 percent, from around 6,000 tons to around 8,000 tons. The total cod catch rose thus from 19,000 tons to 31,000 tons in June, and the catch of other bottom fish declined from 25,000 tons to 16,000 tons. Total catch rose from 48,000 tons to around 50,000 tons.

The total cod catch for the first 6 months of the year rose from 146,000 tons to 184,000 tons, or by around 38,000 tons, a 26 percent increase. Of this, the cod catch of fishing boats rose around 24,000 tons (27 percent) and the cod catch of trawlers around 14,000 tons (24 percent). The catch of other bottom fish decreased, on the other hand, from 168,000 tons to 137,000 tons, or by 31,000 tons, an 18 percent decrease. The capelin catch decreased from 437,000 tons to 344,000 tons, or by 93,000 tons, a 21 percent decline. The shrimp catch was barely 10,000 tons or down by 1,000 tons or 10 percent from last year. The total catch by Icelanders during the first 6 months of the year decreased by 86,000 tons, that is, from 770,000 tons to 683,000 tons. The Vestmannaeyjar Islands were the

station with the highest catch in June and 4,495 tons went there. Isafjordur was second with 3,382 tons, then Sandgerdi, Keflavik and Aukureyri. Some 2,077 tons came in from abroad, compared to only 58 tons in June of last year. The Vestmannaeyjar were also the station with the highest catch for the first 6 months of the year and 98,000 tons were landed there, compared to 111,000 during the same period last year. Seydisfjordur was second with 52,000 tons (including 48,000 tons of capelin). Following were Eskifjordur, Neskaupstadur, Grindavik and Keflavik.

Processing Manpower Shortage

Reykjavik MORGUNBLADID in Icelandic 10 Jul 85 p 24

[Editorial: "Too Many Fish, Low Prices and Wages"]

[Text] It is becoming clearer as the days pass that Icelandic fisheries are in great difficulty. It is important that we are in agreement in analyzing the causes of the problem, otherwise it will not be solved in an easy manner. In recent weeks MORGUNBLADID published an article by Einar Oddur Kristjansson, manager from Flateyri, and Einar K. Gudfinnsson, outfitting manager at Bolungavirk, on the position of the fisheries companies. They offer many solutions. Some refer to government responsibility, others are to be dealt with by the fisheries companies and even by those working in fish processing themselves.

Large catches are now being landed in Iceland, in Saudarkrokur, for example. The situation there, however, is that there is insufficient manpower to process the entire catch as it should be processed. There is a 20-30 percent difference in the export value if it is not possible to process the catch in such a way that it can yield the highest values on the market.

Cod catches are at present done in such a way that the catch of ships is limited by decisions made on quota sharing. According to a statement made by Agust Einarsson before the National Association of Icelandic Outfitters, it is most convenient for outfitters and seamen to bring in the largest catch possible in the shortest possible time, "and not to have to worry about it," as MORGUNBLADID quoted Einarsson yesterday. He thought that the complaints of the Saudarkrokur people are "a little ridiculous" since outfitting and processing there is under the same management.

In view of the conditions that now prevail on the Iceland Banks and the need to look after the fish carefully, particularly when they have been landed, there is more than a little in such operations that need not consume large amounts of raw materials. A large catch results in low prices and as a result low wages. If we are to rely on government to solve such problems it is very clear that they never will be solved. Outfitters and fish processors must work together without the participation of government in this area.

In a report on West Fjord fishing it is said that there is a "vicious circle" regarding fisheries in Iceland and that it will end in fishing

becoming a "low wage occupation that all will avoid and fear." This situation is by no means unique to the West Fjords. There is a shortage of manpower in fisheries in Saudarkorkur and likewise in Eastern Iceland and especially in the Sudurnes Area.

Those who refuse to consider this fundamental problem in Icelandic fisheries and offer solutions are not looking at the origins of the problem but are rather dealing with symptoms. "If it were possible to increase the number of fisheries employees immediately, we could save much of the value," it says in the West Fjords report.

There have been shutdowns within fishing industry companies. It has not proven possible to adapt their operations to changed conditions. Things will not be turned around except through aiming high and being energetic. If people depend upon the government in this regard they are doing things the wrong way.

'Too Many Fish'

Reykjavik MORGUNBLADID in Icelandic 12 Jul 85 p 24

[Editorial: "Too Many Fish"]

[Text] The paradoxes in human life are often amazing. That is, however, the case in midyear 1985, when we must trumpet far and wide that Icelandic fisheries are in difficulty because of a shortage of fish due to the fact that too large catches have been landed in Iceland. For a long time MORGUNBLADID fisheries news has dealt with anything but too large catches. Yesterday, however, it was announced by Ingolfur Arnarsson, director of Thormodur Ltd in Siglufjordur, that it is "awful that cod should be shoveled onto land in the way that it is and we will lose much money on account of the fact that it will not be possible to process it into expensive packages." Benedikt Gunnarsson, chief of the Fresh Fish Division of Rikismatur Fisheries Products, said in MORGUNBLADID the day before yesterday that it was a major problem from the point of view of those concerned about quality when such a large catch is landed. The tradition in Iceland, supported by age-old custom, is that whatever is seen in the sea should immediately be caught.

Representatives of the Association of Icelandic Outfitters said also in MORGUNBLADID on Tuesday that it was most convenient for outfitters and seamen to get the largest catch in the shortest time "and not worry about it."

The cause of all the problems is most likely the cod. The cod runs at a time when not all are prepared to use it in such a way that production will be the greatest. Sigfus Schopka, ichthyologist with the Icelandic Ocean Research Institute, explained to readers of MORGUNBLADID, however, yesterday that the cod that is now being caught with such greed is 5 years old and that it has appeared in the banks in conformity with the hopes of ichthyologists. Schopka said that it was likely that such overabundance would occur later in the Iceland Banks in 1987 and in 1988.

The problem should be resolved soon, at least before 1987, as to whether or not it is unavoidable for cod to absorb manpower in the way that it has been shown to have done. One of the advantages of quota assignment, the cornerstone of fisheries policy that came into being on account of the decided demand of outfitters and on account of their persistence, was to have been that through managing fisheries in this manner it should be possible to arrange catches for better utilization than before. Were the promises in this area based upon a misconception? Is it not possible to have some control over what kind of catch a trawler makes?

According to what has emerged from discussions of the issue in MORGUNBLADID in recent days it should be possible to achieve this. Representatives of the National Association of Icelandic Outfitters, the director of Thormodur Ltd and the chief of the Fresh Fish Division of Ríkismatur are all in agreement that those companies, operating both fishing and fish processing, can and should have control over the catches of trawlers with respect to the processing of the catch. One way for all to allow reason to prevail in this matter is perhaps to manage fish prices according to supply and demand. It remains to be seen what outfitters and their associations will say about that.

9857

CS0: 3626/43

ECONOMIC

SPAIN

TAXES TO BE REDUCED DESPITE LARGE BUDGET DEFICIT

Madrid EL PAIS in Spanish 9 Jul 85 p 47

[Article by Gustavo Matias]

[Text] Santander. Structural problems of the Spanish economy, such as unemployment and the public deficit, have reduced its growth potential to 2.4 percent per year for the rest of this decade. The deficit has become so intractable that, at this rate of economic growth, it will be the largest deficit in any industrialized nation. In spite of this and in spite of the fact that interest on the national debt will increase in 1986 from 700,000 pesetas to almost 1 billion pesetas [sic], Jose Borrell, secretary of the treasury, said yesterday that the reduction of income taxes beginning in 1985 will be greater than that which was previously announced if the large increase in revenues during the recent tax period is confirmed.

The potential rate of growth of the Spanish economy was **figured** by the experts of the Fund for Economic and Social Research (FIES) of the saving banks. Professor Enrique Fuentes Quintana, director of FIES and conductor of a course on the public deficit which began yesterday at Menendez Pelayo International University in Santander, described the 2.4 percent figure as dramatic and frightening.

His proposal for a political agreement to combat the deficit has been ignored and yesterday he even proposed the idea of establishing a committee to monitor parliament. To illustrate the deficit problem, the professor pointed to reports of the Bank of Spain, the IMF and the Organization for Economic Cooperation and Development (OCED).

Jose Vinals, of the research service of the Bank of Spain, which in one of its most recent works attributed the rise of inflation and unemployment to the difference between income and public expenditures in Spain, joined in the denunciations of the harmful effects of the national deficit made in that same course by several of Fuentes Quintana's collaborators. He recalled that economic theory is gradually tending in this direction at the international level. Vinals said that if the deficit is not reduced, the goal of reducing inflation to 8 percent must be abandoned.

Primary Conclusions

Together with the growing skepticism as to the possibility that the national deficit will encourage economic growth, one of the best known Keynesian postulates, the primary conclusions of the course point out that a distinction should be made between the deficit which exists when the economy reaches its potential for activity (structural deficit) and the deficit due to coincidental factors.

Jose Borrell, secretary of the treasury, gave illustrations of the three distinct points made by Professor Fuentes Quintana (impact of subsidies and aid characteristic of Spanish corporative capitalism, extension of this phenomenon to all the public administrations and the increasing of the debt to make enterprises solvent, including private enterprises.) Borrell also said that public expenses have risen in 10 years from 25 percent to 39 percent of the gross national product or total value added due to inflation, the facilitation of social demands as a result of the political change and the impact of the economic crisis.

Borrell elaborated on the difficulty of reducing the main causes--for example, the cost of the national debt which will increase from 700,000 to 1 billion pesetas, without counting the cost of other public administration costs or the 600 billion in interest which enterprises will pay. Still he restated the government's intention to continue in 1986 to reduce the national deficit and said that any increase in contributions will be used to reduce the Social Security fees as was the case in 1984 when contributions increased by 0.50 pesetas for each 100 produced and this was devoted entirely to lightening employer quotas.

However, he said that any future increase in contributions will come exclusively from broadening the tax base, that is, the number of persons paying.

To this effect, he announced that the reduction of the income tax rate beginning in 1985 will be greater than forecast if it is confirmed that the next revenues obtained during the recent period of tax collection have exceeded the goal. This was set at 106 billion pesetas after the reimbursements requested up to the first of the month. Miguel Boyer's commitment was to compensate for the 107 billion pesetas by lowering the IRPF rate which is expected to lower collections through the recent reduction of some tax withholdings.

9204

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ECONOMIC

SWEDEN

FOREIGN TRADE MINISTER MORE OPTIMISTIC ON POLISH MARKET

Stockholm SVENSKA DAGBLADET in Swedish 20 Jul 85 p 27

[Article by Carl von Essen: "Swedish Optimism on Polish Normalization"]

[Text] "It is true that we can discern a certain amount of improvement in Poland, but it is lagging far behind the situation that prevailed before 1980."

That cautious expression of optimism comes from the Swedish Minister of Foreign Trade, Mats Hellstrom. He is concluding a 2-day visit to Poland today, where he will meet from seven to nine ministers from various Polish governmental departments. Among others, he will meet with the Ministers for Foreign Trade, Maritime Economy, Metallurgy and Engineering Industry and Building.

His visit is a consequence of the resumption of the exchange of visits by Swedish and Polish departmental ministers. The first to arrive was Minister of Housing Hans Gustafsson during the spring. The exchanging of visits was discontinued in connection with the military assumption of power in Poland in December 1980.

What has perhaps changed the most obviously during the period when the visits were suspended is the Polish economy, and that change has been for the worse. Poland is one of the countries hardest hit in the present critical situation with regard to national indebtedness. It has a debt burden to the West amounting to some 25-30 billion dollars. The Swedish EKN [Export Credit Commission] has claims on Poland in the form of export credit guarantees for 1.5 billion kroner and the Swedish banks have outstanding claims for many millions of kroner.

One of the first links in the process of normalizing Poland's economic relations with the West was the recently signed general multilateral agreement with the so-called Paris Club. It is to be hoped that what will perhaps be an even more important step where Sweden is concerned will be taken this fall, when Poland is to sign a bilateral debt-consolidation agreement with Sweden. Until that time, the EKN will continue to refuse to give Poland any credits.

9266

CSO: 3650/306

ENERGY

DENMARK

EC POLL MEASURES VIEWS ON CONSERVATION, NUCLEAR POWER

Copenhagen BERLINGSKE TIDENDE in Danish 30 Jul 85 Sec III p 9

[Article by Kermit Norlund]

[Text] Brussels--Only 22 percent of the Danish people showed support for nuclear power plants while 64 percent favored the development of alternative energy sources according to a new EC poll.

Some 48 percent of the Danes polled said that producing electricity with the help of nuclear power plants involves an "unacceptable risk," while only 22 percent thought it was worth the investment. As many as 64 percent of the Danish people rejected the argument that we could be forced to reduce our consumption of electricity unless nuclear power plants are built and 64 percent recommended stressing alternative energy in the future.

This information is taken from a special opinion poll released by Eurobarometer, the EC Commission's special section for studying public opinion. In both cases the Danish attitudes closely resemble what people in Greece and Ireland think. In the seven other EC countries the attitude toward nuclear power is the exact opposite. In the Danish survey 20 percent did not answer the question about nuclear power and 10 percent indicated that they "don't care."

Although Denmark is one of the EC countries that is the most dependent on imported energy the Danish people also have the most relaxed attitude in EC with regard to the energy situation. While people in most EC countries are only a little less concerned about the energy situation than they were in 1982, the Danish attitude lies in between "it is not a problem at all" and "it is not a serious problem."

If one looks at EC as a whole the poll shows that half of all Europeans regard the energy problem as being "serious," Europeans seem to be quite aware of their dependence on imported energy and two out of three Europeans said EC should act in concert with regard to energy policy.

One out of four Europeans regarded natural gas the safest and most stable in price of all forms of energy and one out of five preferred natural gas

because it pollutes less than other forms of energy. The Danes, the Dutch and the English in particular stressed the good points of natural gas in the Eurobarometer poll.

Every other European wants to "get control over" the energy problem by developing alternative sources of energy.

6578

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ENERGY

DENMARK

CONCESSION ROUND EXPECTED TO PROVIDE OIL NEEDS UNTIL 2000

Copenhagen BERLINGSKE TIDENDE in Danish 1 Aug 85 Sec III p 3

[Article by Eric Bendt Rasmussen]

[Text] The Energy Ministry has invited oil companies to bid on 650 underground blocks. The aim is to secure Danish energy supplies beyond the year 2000.

Denmark's supply of oil from its own resources is to be secured from the early 1990's to beyond the year 2000. That is the aim of the new round of bids on underground blocks that Energy Minister Knud Enggaard opened today. A great many international oil companies are expected to seek concessions to search for and extract oil and gas.

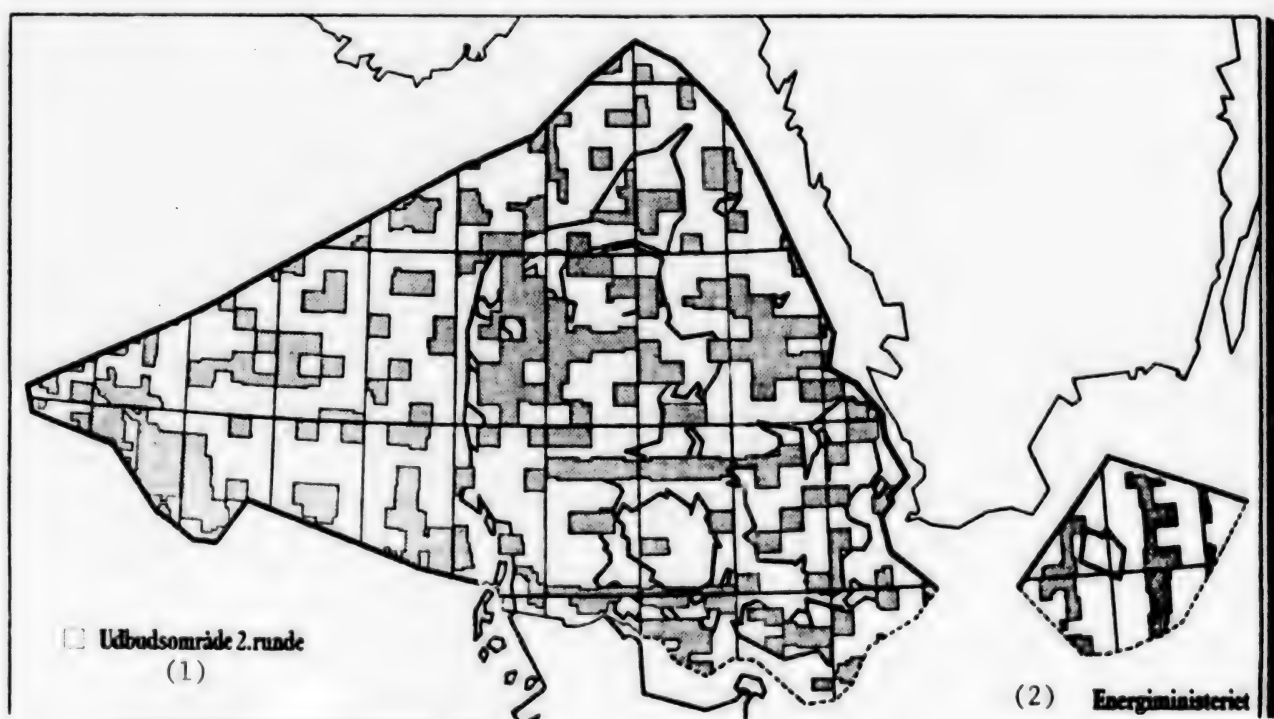
The purpose of the new round of concessions, the second one of its kind, is to intensify the search for oil and natural gas. And all the available areas are being offered so that the oil companies can evaluate all Danish underground territory beneath the ocean floor and on land. The round involves 650 blocks or two-thirds of the Danish area. An average block is around 212 square kilometers in size.

After the recent lengthy negotiations in the Folketing Energy Policy Committee it has been decided that state participation via DONG's [Danish Oil and Natural Gas] subsidiary, DOPAS [Danish Oil Production, Inc.], will amount to at least 20 percent, if the various consortiums manage to find enough oil or gas to make production worthwhile. In other words the state share of the oil or gas will be at least 20 percent.

Danish Industry to be Included

In connection with the second round special emphasis will be placed on promoting the development of a Danish oil industry. This means that bidders must involve Danish firms in exploration as well as oil and gas production. Bidders must make sure that Danish firms are given real opportunities to compete with others to supply goods, services and so forth. Education and training must be offered to Danish workers.

The first Danish operator company, DANOP, was founded recently in economic cooperation between the state and private enterprise. It is an important part of the new round of concessions that the Danish operator company will be given tasks. At least five, with a minimum of one operative assignment at sea. DANOP will serve as business manager for holders of concessions and assume responsibility for the practical work in connection with drilling.



The Energy Ministry's official map of the 650 blocks being offered. The white areas show the blocks offered, a total of 100,000 square kilometers.

Key:

1. Second round bidding areas

2. Energy Ministry

Long-Term Program for Oil Companies

In the next few days the Energy Ministry will send bidding material to a number of oil companies that have shown interest in the Danish areas. Among them are Statoil and Norsk Hydro. The cutoff date for submitting applications is 15 November. It is expected that permits will be issued in the spring of 1986.

When the permits are issued concession holders will make preparations for seismic measurements of the underground areas and later for drilling exploratory holes. This is a program that will take years and extraction of any oil or gas that may be found cannot begin before the early 1990's. Production could then extend a good way into the 21st century. The aim of the second round, which is more extensive than the first one, is to safeguard Danish energy supplies for another generation. The producing wells in the North Sea, under the management of A. P. Moller, are not inexhaustible. But there are enough natural gas resources to last well past the year 2000.

The oil companies will have to make very big investments, especially in the North Sea. However money has been set aside for several years for these projects which in the past were only profitable because of earlier record high crude oil prices. But oil companies estimate that in the mid-1990's oil prices will rise so sharply that the investments will pay off.

6578

CSO: 3613/182

ENERGY

ICELAND

DROP IN HEAVY OIL SALES MAY AFFECT USSR TRADE

Oil Purchased at High Prices

Reykjavik MORGUNBLADID in Icelandic 26 Jun 85 p 24

[Editorial: "Heavy Oil Not Selling"]

[Text] Several years ago it was said that nothing could save the country's fishing fleet except heavy oil. This was at the time when there was a considerable difference in the price of heavy oil and gas oil. At that time, as indeed before and since, Icelanders have always been told that one of the best reasons for the Soviet oil trade was that they produced such exceptionally good heavy oil. No one could come close to them in that respect. But it seems to be with heavy oil as with so many other things in a constantly changing world. Its popularity is fickle.

It has reached the point that heavy fuel oil has not been used by 60 stern trawlers since the beginning of the year because of the cost. The oil companies now stockpile about 30,000 tons of heavy oil that nobody wants to buy. The companies do not lower the price of these supplies of heavy oil, although the price of heavy oil has dropped by 2,200 kronur on the Rotterdam market. The same in fact applies to the gas oil. The Price Control Board does not want to lower the price although the import price has dropped.

In an interview with MORGUNBLADID on Saturday, Thordur Asgeirsson, director of Olis, tries to argue the necessity of maintaining the high oil prices. The arguments are that the oil companies bought the oil at this high price. They are unable to lower the price as it is not possible for the oil companies to absorb more losses.

Here in this paper it has been mentioned many times in recent months that the oil trade methods in this country have become extremely obsolete. This trade is under the auspices of the government as a whole, as the Ministry of Commerce in an agreement with the Soviet Union holds all the reins of this trade. The price formation system is based on public decisions in which no consideration is seemingly given to either consumer or seller. The whole problem is put on the buyers' shoulders with the attitude maintained by monopolists, which is that they are supposed to come out at least even.

One year the price of sugar dropped in the world market. Some sugar importers, who admittedly are not protected by government power, had shown foresight and were stuck with stockpiles which they had bought before the drop in price. Their competitors were able to offer the merchandise at a lower price. The owners of the stockpiles did not run for shelter in the arms of the government or the price control authorities to ask for help but they lowered the price of their supplies to get rid of their sugar mountain.

Now, why don't the oil companies think about investigating whether they can sell some of their heavy oil supplies by lowering the price? Is it appropriate and normal that they are allowed to let others suffer for the fact that they imported such great quantities of heavy oil at a price that makes it unsaleable?

Competition between the oil companies has been increasing. Unfortunately it does not involve offering the clients of the oil companies their main products at the lowest possible price. Now it seems to be only a matter of hours until the price of gasoline goes up. According to MORGUNBLADID sources, the price control authorities are just sitting back and waiting for enough parties to approve the newly negotiated wage agreement until they feel that the time is right to raise the price. Is it possible to imagine a less attractive picture of an obsolete price and government system? Why can't the market forces of this sector be the deciding factor? Is it a misunderstood guarding of Soviet interest that controls this? Is the oil companies' fear based on real competition?

Revising Trade Structure

Reykjavik MORGUNBLADID in Icelandic 27 Jun 85 p 8

[Editorial: "NT and Soviet Trade"]

[Text] In the good old days when the old newspaper TIMINN prospered, its editorial writer was never more irked than when it was asked whether the trade with the Soviet Union could not be revised in one way or another. When Prime Minister Geir Hallgrimsson of the government coalition of the Progressive Party and the Independence Party went on an official visit to Norway 10 years ago, he said that perhaps Icelanders could buy oil from the Norwegians. That caused high praise in the old TIMINN about the excellence of the trade with the Soviet Union, the importance of this trade and the necessity that nothing would be changed there, at the same time criticizing Geir Hallgrimsson's statements in a manner only progressives are capable of.

Yesterday, NT (NEW TIMINN) echoes old TIMINN about the Soviet trade. In the first place, NT implies that we do not have any other choice but to trade with the Soviets. This is exactly what the Soviet negotiators want to see and hear, i.e., that they have the final say and that they are doing the Icelanders an immeasurable favor by buying fish from them. MORGUNBLADID has warned against the submissive entreating tone that NT uses about the Soviet trade. From the Soviet point of view this is political trade. We must let only our trade interest decide. If the Soviets lose the trade with Iceland, they also lose the only "legitimate" way to exert influence here in the country. But their

power of influence based on this trade comes through, for example, in yesterday's editorial in NT which is the organ of SIS (Federation of Iceland Cooperative Societies) and the Progressive Party.

Secondly, NT is wrong in stating that MORGUNBLADID exercised "ceaseless attacks" on Tomas Arnason, minister of commerce at that time and Olafur Johannesson, foreign minister at that time, when the "last framework agreement was made 5 years ago." Here the NT is out in left field. What it probably is referring to is MORGUNBLADID's subjective criticism 3 years ago when an agreement about economic cooperation was made with the Soviet Union. It was then expressed by those who negotiated the agreement that the agreement was necessary in order to get foreign exchange from the Soviet Government, so it would honor the trade framework agreement. Since then it has come to light that the Soviets had a totally different idea and objective: they usually cite this agreement when they express hope about participation in energy projects and heavy industry in Iceland. Is that the way they plan to obtain foreign exchange to buy Icelandic fish? The truth is that all warnings from MORGUNBLADID in the summer of 1982 about the new agreement with the Soviets, which was negotiated at that time, have been based on facts.

Thirdly, it is necessary to call attention to the fact that the NT editorial yesterday is written from such a narrow partisan point of view that it is almost unbelievable. It is maintained there that because Geir Hallgrimsson is foreign minister and Matthias A. Mathiesen is minister of commerce, MORGUNBLADID emphasized that we trade with the Soviet Union under "businesslike conditions." This has been a clear and unshakable policy of MORGUNBLADID during all the altercations that have taken place about the paper's warnings on Soviet trade. This policy does not change depending on who is negotiating with the Soviets. The NT editorial shows that it is necessary to stress and reiterate this policy. In the editorial people are asked "to stop this nagging about an important nation with which we trade."

It would be interesting to know how NT interprets the word "nagging?" Is it all right to report news about the slaughter in Afghanistan? Is it permissible to inquire where Andrei Sakharov is? Is it permissible to warn against the arms build-up in the Soviet Union? Is it permissible to curb the increase in the number of Soviet diplomats in Reykjavik? Is it permissible to curb the purchase of real estate by the Soviet Embassy? Is it permissible to decide where Soviet research vessels seek port in Iceland? Is it permissible to tell the Soviet Embassy to comply with the provisions of the Reykjavik Architectural Commission on the location of their television dish antenna? Or is it only permissible to write like the old and new TIMINN about Soviet trade and leave it to the NOVOSTI staff to provide reports on the state of affairs to the Soviet Union?

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